Averting the Catastrophic India-Pakistan War

11-Step Framework towards Kashmir Dispute Resolution and Peace in South Asia

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About the author

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This work reflects his individual views and not of the organization he works or has worked for.

Table of Contents

Section	Chapter	Page No.
	Acknowledgments	6
	Introduction	7
	Kashmiriyat – The Overarching Theory of Dispute Resolution	11
	Kashmiriyat – The Overarching Theory of Kashmir Dispute Resolution Explained	13
1	Rationale - Why this New Framework?	14
2	Unsustainability of the status quo	18
3	Options before Kashmir	34
4	How India and Pakistan stand to gain from Option 6?	44
5	Proposed 11-step Dispute Resolution Process	52
Step 1	India-Pakistan summit-level dialogue in Srinagar	58
Step 2	Ice-breaking Engagement Process	60
Step 3	Disarmament, General Amnesty and Social Reconciliation (DISGASOR) Process	62
Step 4	Kashmir Comprehensive Political Reconciliation Process (KASHREP)	65
Step 5	Constitutional Amendment Process	70
Step 6	Kashmir *Haven of Peace (HoPe)* Accord	75
Step 7	Establishment of Transitional Administrative Territories (TATs)	80
Step 8	Stage 1 of Multi-Stage Demilitarization and Security Transformation Process	85
Step 9	Boundary Determination and other Key Initiatives Commence	90
Step 10	Final stages of Transitional Administrative Period (TAP)	95
Step 11	Establishment of the *United Kashmir Haven of Peace State*	99
6	Towards Economic Transformation of United Kashmir	107
7	United Kashmir's Relationship with India and Pakistan	122
8	*United Kashmir HoPe* External Relations	132
9	*Kashmir HoPe* as a Bridge of Cooperation and Friendship between India and Pakistan	137
	Glossary	141

Distinguish between real needs and artificial wants and control the latter – Mahatma Gandhi

Acronyms used:

HoPe - Kashmir Haven of Peace

TATs - Transitional Administrative Territories

LoC - Line of Control

TAP - Transitional Administrative Period

PAK - Pakistan Administered Kashmir

IAK - Indian Administered Kashmir

KINPAK - Kashmir-India-Pakistan

KINPOS - Kashmir Interim National Political Steering Committee

HDI - India's Human Development Index

GDP - Gross Domestic Product

IMF - International Monetary Fund

IEP - The Institute for Economics and Peace

KTMF - Kashmir Traders and Manufacturers Federation (KTMF)

RSS - Rashtriya Swayemsewak Sangh

FATA - Federally Administered Tribal Areas

UNSC – United Nations Security Council

CPEC - China Pakistan Economic Corridor CPEC

Acknowledgments

During my annual vacation at home in Srinagar, Kashmir, in July this year, Kashmir erupted in the most widespread, and largely unanticipated, revolt of its post-1947 history. As street demonstrations and state crackdown lingered, resulting in the killing of at least 91 civilians and injuries to about 15,000 men, women and children, I, like other eight million Kashmiris during that period, happened to spend 32-odd days inside the house. Yet again Kashmir had turned into world's largest prison, ironically the most beautiful one.

With no access to phone and Internet, the idea of putting some thoughts together as a possible way out from the deeply-traumatizing situation Kashmir has been going through since its annexation by and division between India and Pakistan in 1947 was struck out of the blue. What was igniting the thoughts was something personal as well. On a quieter evening, while trying to take my children out to visit a relative nearby, we were caught in a violent face-off between security forces and demonstrators in a Srinagar suburb. We had to return to home. My children looked shaken. I could see the flashbacks in my daughter's eyes from that 2013 Eid day in Srinagar when two of us survived a rampaging para-military forces' contingent in Srinagar, who had charged on our car and aimed their guns at us. Life was never the same again.

To be honest, this work was not envisioned to be this detailed as I began to write. It has ended up reflecting that strong craving for peace and dignity for our children's future that most of the inhabitants of South Asia share. I must also admit that this proposed framework has been strongly influenced by the reflections of some very wise people whom I happened to meet in the course of my work and extensive travels across countries and regions like South Sudan, South Africa, Zimbabwe and Middle East-North Africa. I owe a word of gratitude to a teacher at a Juba school, who, during our long conversations, enlightened me with his eloquent and profound stories about the hopes and what he called the 'lost dreams' of free Sudan Sudan. I must also thank those friends and acquaintances from Syria, Egypt, Tunisia and Libya who shared their stories of agony and hope for their better future with me.

A word of thanks is due to my family in letting me spend time on this after office hours. Owing to time limitations, no formal editing or peer review have been done for this document. While due efforts have been made to avoid factual inaccuracies, inadvertent errors might still have crept in. I will highly appreciate if any such factual inaccuracies/errors are brought to my notice.

Finally, this document reflects my individual views and not of the organization I work or have worked for.

Arjimand Hussain Talib
Cairo
14 November, 2016

Introduction

Nearly three thousand miles away from the unsettling dust raised by the Arab Spring in Middle East and North Africa, another 'spring' is blooming in the fabled land of Kashmir. The painful upheaval unfolding in the Middle East today, leaving profound social and political impact beyond the region's borders, could potentially be dwarfed by a similar situation of war and mass movement of people in South Asia if Kashmir's 2016 'spring' and the resultant India-Pakistan diplomatic and military hostilities evade global attention.

At the fault lines of the Himalayan frontiers of Asia's three nuclear powers - China, India and Pakistan – Kashmir is today witnessing the portents of a situation that could engulf the whole South Asian region, including Afghanistan, in a devastating conflagration[1]. At the time these lines were being written in late November, Indian and Pakistani militaries were exchanging mortars and heavy machinegun fire along the Line of Control in Kashmir, resulting in deaths, mass displacement of people and reinforcement of military infrastructure. This deteriorating security situation along the borders of two nuclear-armed neighbors has profound implications for peace and security in South Asia, including the fragile peace in Afghanistan and the world at large.

International community is today, understandably, deeply absorbed by the uncertainty and chaos unfolding in Middle East and North Africa region. Europe is struggling with managing the political and social implications of the large influx of refugees and asylum seekers due to the conditions that could have been avoided through timely preventive actions in Iraq and Syria. Such preventive actions, need to be taken on Kashmir today, primarily by India and Pakistan, but also the wider international community.

International community's support to a meaningful and result-oriented India-Pakistan dialogue and peaceful settlement of the Kashmir dispute is not only a moral call but a global peace and security imperative as well. Something has to be done today to avoid a Syria-Iraq like situation in South Asia, home to over 1.6 billion people. Stricken by poverty, unemployment and rising religious radicalization and intolerance on all sides, South Asia cannot afford the apocalypse of war, leading to a humanitarian catastrophe of monumental proportions. The world at large cannot afford that either.

The simmering political discontent in Kashmir is a perfect recipe for stoking religious and political sentiments among vast sections of people in India and Pakistan[2]. In a region surcharged with hyper religious and political emotions, easier information dissemination through TV and social media has created a prospect of stoking hostile passions with a potential of multi-layered violence at an unimaginable scale.

India and Pakistan have fought three full-fledged wars – in 1947, 1965 and 1971 – for wresting full control over Kashmir. In recent times, the two countries have come to the brink of a catastrophic nuclear war, particularly in 1996[3] and 2005[4]. With the rightwing Bharatiya Janata Party (BJP) government in power in India taking an uncompromising political stance on Kashmir, coupled with an aggressive foreign policy course vis-à-vis Pakistan, the prospects of a spectacular terrorist

[1]Since 8 July 2016, 91 civilians have been killed, while at least 15,000 others have been injured during Indian security forces' actions for containing public demonstrations in Kashmir. A new military crackdown has resulted in curbs on Internet, mobile telephony and detention of some 9000 civilians. India has officially claimed to have crossed the Line of Control (LoC) and carried out surgical strikes against what is called the militant infrastructure in Pakistan Administered Kashmir (PAK) in response to an attack on Indian military installation in Uri town of Kashmir, resulting in the deaths of 19 Indian soldiers. While Pakistan has refuted involvement in the attack, a new wave of military hostilities and arms mobilization along the Line of Control in Kashmir and the International Boundary has already begun between the two countries.

[2] The official Digital India twitter handle posted a poem in September 2016, calling for "annihilation" of entire Kashmiri population until they sing Indian national anthem. The post was subsequently removed. In Pakistan, the parliament renewed its support to Kashmiri movement for right to self-determination. Jehadi groups based in Pakistan have publicly called for turning Kashmir into Indian army's "graveyard."

[3] A small scale-war fought in Kargil, costing at least 10,000 lives on both the sides. A larger conflagration was avoided with US intervention.

[4] India mobilized its troops in the aftermath of a Jihadi attack on its Parliament believed to have been planned and executed by jihadi groups in Pakistan.

strike in India, seen emanating from Pakistani soil, could spark a chain of retributive state-sanctioned actions and reactions, both overt and covert, across the borders of the two countries, with unimaginable consequences. A second layer of strikes and counter-strikes by independent non-state actors targeting both the countries remains within the realm of probability. Such a situation could ignite a full-blown conventional or even a nuclear war between the two countries with grave humanitarian consequences for millions of peoples of the region. Within the first week of a nuclear exchange between India and Pakistan, 21 million people - half the death toll of World War II - would perish from blast effects, burns and radiation[5]. Pakistan has publicly stated that in case of war thrust by India it would not hesitate in using nuclear weapons[6]. India's Defence Minister has lately questioned the rationale of the country's no-first-use policy of nuclear weapons[7], hinting a radical shift in India's long-held nuclear weapons deterrence doctrine.

A nuclear or even a conventional war between India and Pakistan is likely to displace a large number of people across the region. A mass movement of people from Pakistan to Afghanistan and Iran would significantly alter the existing geo-political equations in that part of the world. A war between India and Pakistan is most likely to ignite a secondary war – both overt and covert – by non-state armed actors mainly operating in Pakistan and Afghanistan region directed against India[8]. Such a situation has the risk of galvanizing a non-state armed response from within India as well, potentially directed at the country's 200 million religious minorities, mainly Muslims.

A war in the Indian sub-continent would, quite naturally, have a global humanitarian dimension as well. Besides a westerly mass movement of people from Pakistan, millions of people from India could fan out to neighboring countries like Nepal, Bangladesh, Maldives, Bhutan and Sri Lanka. There is another dimension to such a situation: with at least 2 million Indian and Pakistani expatriates, mainly Muslims, working in the Persian Gulf region, an unravelling of the sub-continent is likely to put profound pressure on the hosting countries to let in at-risk relatives of the expatriates living there. In such a situation, a gigantic wave of refugees and asylum seekers, mainly comprising of millions of at-risk ethnic and religious minorities, could head further westwards to Europe and elsewhere in quest of basic survival and security. The world could eventually end up facing a situation that might dwarf the Syrian and Iraqi refugee surge out of that region.

The greatest peril that characterizes the current situation in the Indian sub-continent is that neither New Delhi nor Islamabad's actions in response to the unpredictable situation unfolding in Kashmir reflect a strategic approach linked to a definite and intended set of outcomes. Consequently, unintended consequences of the largely tactical and uncalibrated actions, with little or no risk mitigation strategies in place, are difficult to visualize.

This work is, therefore, intended to act as a wake-up call to the world community as well as the governments of India and Pakistan. Guided by an objective analysis of the current situation, the options available to Kashmir, India and Pakistan and also the possible future scenarios, this document also seeks to address certain questions related to the future of Kashmir that have for long remained a subject of rhetorical debate with no ready answers.

[5] *Researchers from Rutgers University, University of Colorado-Boulder and University of California, Los Angeles, 2007*
[6] *Sara Kamouni, Pakistan threatens to destroy India with nuclear bomb as atomic enemies edge to the brink of war, The Sun, 30th September 2016*
[7] *Sushant Singh, November 11, 2016, Manohar Parrikar questions India's no-first-use nuclear policy, adds 'my thinking', The Indian Express*
[8] *In 2003 Taliban issued a statement saying in case of war between India and Pakistan, it would stand by the state of Pakistan.*

As a conscious choice, this document has not delved much into history, has maintained a futuristic focus and also addresses some of the hitherto unaddressed questions related to the future of Kashmir and Kashmir-India-Pakistan (hereinafter referred to as KINPAK) relationship.

This framework takes a new approach to help establish peace in Kashmir and the larger sub-continent. It proposes to re-invent the idea of *Kashmiriyat*[9] as a political theory - leading to the transformation of Kashmir as a *Haven of Peace (HoPe)* in South Asia. *Kashmir Haven of Peace* entity, will be philosophically rooted in the core principles of *Kashmiriyat* - non-violence, human dignity, multi culturalism, pluralism, tolerance, scholarship, entrepreneurship & innovation and environmental responsibility.

It proposes the governments of India and Pakistan to engage in a transformative and historical bilateral dialogue process, fully supported by the international community, leading to what is proposed to be the *Kashmir Haven of Peace (HoPe) Accord* which would stipulate creation of five Transitional Administrative Territories (TATs) across the Line of Control (LoC), political autonomy for a 15-year Transitional Administrative Period (TAP) for Indian-administered Kashmir and Pakistan-administered Kashmir (accompanied by a multi-stage demilitarization and security transformation process) and the eventual reunification and re-establishment of Kashmir as a *Haven of Peace* entity. The Accord, which shall be ratified by the autonomous Transitional Assemblies of the Transitional Administrative Territories (TATs), shall essentially be based on the fundamental democratic principle of majoritarian political aspirations on both sides of the Line of Control (LoC) in the erstwhile Princely state of Jammu & Kashmir, recognizing the complexities and a lack of forward movement related to other solutions, including the implementation on the UN Security Council Resolution of 1948, contemplated or prescribed from time to time.

The basis for the establishment of Kashmir as a *Haven of Peace* shall not be religion. However, the fact that the new state will comprise of people predominantly adhering to Muslim faith, with considerable religious minorities, this endeavor proposes a framework critical for establishing a 21st century successful and forward-looking state with a majority Muslim character. Notwithstanding its geographical limitations, the new state shall endeavor to transform those limitations into opportunities, and demonstrate that a predominantly Muslim and successful state of Kashmir was possible when built on the foundations of *Kashmiriyat.*

This framework does not claim to offer a perfect solution. However, it has endeavored to propose a feasible, pragmatic and, importantly, practical approach to resolving one of the world's long-standing political disputes. It must ignite an inclusive and wide debate on its fundamental components, including the sequence of the steps to settlement that it has proposed.

[9] *The idea of Kashmiriyat is generally understood as a set of cultural and religious values shared by the diverse religious, ethnic and linguistic groups of Kashmir for many centuries, shaping the distinct entity of Kashmir.*

Kashmiriyat –
The Overarching Theory of Dispute Resolution

Kashmiriyat – The Overarching Theory of Kashmir Dispute Resolution

The idea of Kashmiriyat is generally understood as a set of cultural and religious values shared by the diverse religious, ethnic and linguistic groups of Kashmir over a period of several centuries. Various Kashmiri thinkers and philosophers have approached *Kashmiriyat* in many different ways. However, there is one streak that is common to all those definitions – a shared belief in non-violence, peace and pluralism. Over the years, a particular emphasis on these attributes of *Kashmiriyat* has obscured the many other social, political, economic and environmental dimensions that underpin this idea, duly upheld by many great men and women who have shaped the evolution of Kashmir as it has been known for a long part of its history.

One question that has seldom been asked is this: is peace, as an essential ingredient of *Kashmiriyat,* possible without justice? Would the idea of *Kashmiriyat* flourish within a political and military architecture that primarily banks on violence in addressing people's quest for justice? In an environment of selective, and even aggressive, patronage to particular streaks of religious and cultural thoughts, is there a chance for the core ideal of *Kashmiriyat* – pluralism - to thrive? In a political system that is underpinned by largescale militarism, is a space for non-violence possible?

Throughout Kashmir's history, a collective quest of its people for justice and peace has defined the fundamental philosophy of *Kashmiriyat*. Thinkers, poets and philosophers have sought to imagine Kashmir as a haven of justice and tranquility in myriad ways. Barring the periods of foreign rule and political suppression, during large periods of its history, an environment of scholarship, free thought and critical thinking has incubated *Kashmiriyat* as a defining social and religious culture in Kashmir. For a long period now, particularly the post-1947 period, Kashmir has faced geographical ghettoization and the resultant economic isolation. Economic self-reliance and environmental responsibility have been two defining characteristics of *Kashmiriyat* propounded by the thinkers whose thoughts have played a vital role in its evolution.

This framework is based on the premise that *Kashmiriyat* is inconceivable without the necessary conditions of justice, dignity and peace for its inhabitants. It argues that this idea is at the peril of loss with the existing status quo being defined by the antonyms of the core principles that define this idea. It, therefore, proposes a theory of political transformation in Kashmir rooted in the core principles of *Kashmiriyat*, accompanied by the spin-off of durable peace in the larger South Asian region. This framework does not propound a utopian idea. It is carefully conceived so as not to kindle feelings of loss or defeat among any party to the dispute. It promotes a shared interest in the preservation of *Kashmiriyat* and the replication of its underlying philosophy across India and Pakistan in times when political and religious extremism and disharmony imperil the very foundations of these two countries.

Kashmiriyat – The Overarching Theory of Kashmir Dispute Resolution Explained

Core Principles of Kashmiriyat	What would they translate to
Non-violence	Dialogue shall prevail over violence in conflict resolution
Human dignity	A future of freedom, liberty and justice for all its people
Respect for human diversity	A plural society where diverse religious and ethnic communities thrive in harmony
Social harmony	A democratic political system where disagreement and dissent shall reinforce the idea of Kashmir as a *Haven of Peace*
Tolerance	A society founded on the principles of peaceful co-existence, mutual respect and freedom of thought
Scholarship	A society built on reflection, research and critical thinking-based learning culture
Enterprenuership	An economic system that will foster private business and innovation
Environmental responsibility	Sustainable development with high consideration to environmental conservation

1

Rationale - Why this New Framework?

This framework has primarily been conceived for four reasons:

1.1 Increasing risks to regional and global peace and security

A perpetually unstable Kashmir poses significant risks to regional and global peace and security. Regular face-off between Kashmiri civilian population and Indian security forces/police routinely result in India-Pakistan military and diplomatic conflagration, stoking delicate religious and political sentiments across the two countries. In a region already surcharged with intense religious and political emotions, the potential of pent-up passions transforming into largescale street violence at an unimaginable scale is real. Such a situation could lead to a full-blown war between India and Pakistan. The 2016 summer uprising in Kashmir, the deadly strike on an Indian army camp in north Kashmir town of Uri on September 20 and the following war hysteria in the region underlines the delicate nature of peace in South Asia today.

A nuclear exchange between India and Pakistan is estimated to result in 21 million people dying from blast effects, burns and radiation within the first week of the strike[10]. Another two billion people worldwide would face risks of severe starvation due to the climatic effects of the nuclear-weapon use in the subcontinent[11]. Pakistan has an estimated 110 to 130 nuclear warheads as of 2015 while the number of India's nuclear warheads is estimated 110 to 120[12].

A nuclear or even a conventional war between India and Pakistan is likely to ignite a gigantic wave of refugees and asylum seekers, mainly comprising of millions of at-risk ethnic and religious minorities, fanning out in all directions from South Asia. The whole Persian Gulf region, and also the European shores, could end up facing a situation that could dwarf the Syrian refugee surge into Europe.

Stricken by poverty, unemployment and rising religious radicalization and intolerance on all sides, South Asia cannot afford the apocalypse of war, leading to an unravelling of the whole region. The world at large cannot afford that either.

1.2 The moral one

Nearly seven decades have passed since Jammu & Kashmir's annexation by and division between India and Pakistan. The status quo in Indian-administered Kashmir has become unsustainable. The government of India has been in a state of political micro management in Kashmir right since 1947 - toppling elected governments, jailing popular political leaders, institutionalizing political corruption, manipulating the economic system for control and stifling dissent. With the termination of nearly one-and-a-half decades of armed rebellion at the beginning of the century, Kashmir's quest for political justice witnessed a transition back to a peaceful people's mass movement in 2008. Owing to its superior military power, while India succeeded in subduing the armed rebellion with relative ease, the 2016 people's mass movement – that has reached its pinnacle in the summer of 2016 – spearheaded mainly through general strikes, rallies, processions, social media campaigns and other peaceful means is difficult to be contained. By the time these lines were being written at least 91 civilians had been killed and 15,000 injured since July 7, 2016 by Indian security forces during protest demonstrations.

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[10] 2007, Researchers from Rutgers University, University of Colorado-Boulder and University of California, Los Angeles
[11] Greg Thielman and David Logan, The Complex and Increasingly Dangerous Nuclear Weapons Geometry of Asia Princeton University, July 27, 2016
[12] Abheet Singh Sethi, The Global Cost Of India-Pak Nuclear War, September 29, 2016
http://www.indiaspend.com/cover-story/the-global-cost-of-india-pak-nuclear-war-27563

While India's position is that such uprisings are planned and fanned by Pakistan, first-hand ground experience suggests that such mass uprisings in Kashmir are usually spontaneous. In a situation wherein hundreds of thousands of unarmed men, women and children march on the roads demanding independence and are violently engaged or confronted by thousands of armed soldiers, a serious moral question mark does arise on the legitimacy of the political system that presides over such a militaristic project. Kashmir is in the grip of extra constitutional laws, curtailed civil liberties and human rights, communications gag, curtailed freedom of expression and assembly. A legitimate democratic system cannot co-exist with such undemocratic architecture.

While a large majority of the people living in Indian-administered Kashmir yearn for a change in the status quo, the population in Jammu region's plains and Leh district prefer the status quo.

On the other hand, while Pakistani-administered Kashmir has not experienced as deep political dissatisfaction and state-sponsored violence as on the other side of Kashmir, Pakistani state has been unable to establish a credible democratic system there too. There have been curbs on freedom of expression. The constitution requires allegiance to the ideology of accession to Pakistan as a prerequisite for political participation and holding of any public office. The Kashmiris living on that side of Kashmir have been the worst sufferers of cross-LoC hostilities between Indian and Pakistan troops, bearing the brunt of the firepower being unleashed from the Indian-administered side.

Much like the Indian-administered side, while the people living in what is called the region of Azad Kashmir wish to be reunited with the other side of Kashmir, the people living in the northern part of the side in Gilgit-Baltistan region prefer the status quo, with total assimilation with the state of Pakistan.

All this highlights the moral imperative of seeking an end to this status quo as of paramount importance.

1.3 Need for a clear roadmap

In spite of wide consensus about the unacceptability of the status quo in Kashmir, one of the limitations of its pro-freedom political movement has been the divergent views about the territory's political future, the definition and scope of freedom being yearned and the absence of a clear road map in achieving the commonly-agreed goal. While one of the most dominant demands remains the implementation of the 1948 United Nations Resolutions on Kashmir[13], calling for a plebiscite, the political parties that espouse that demand have hitherto not demonstrated a convincingly logical linkage of their political actions leading to successful conduct of the plebiscite. The second limitation relates to the options that those resolutions offer, which limit the plebiscite choice between choosing India or Pakistan, excluding the independence option. The implications of these limitations will be analysed at length in the succeeding chapters.

The vision of independence – although the most-widely favored one among overwhelming majority of Kashmiris - in itself has rarely been clearly articulated by the political forces espousing it, leaving many questions about the means of achieving that goal, the geographical scope and the nature of the eventual independent state largely unanswered. This framework seeks to answer some of those questions.

[13] The United Nations Security Council Resolution 47, adopted on April 21, 1948, concerns the conduct of a plebiscite in the territory for its people to determine their political future. These resolutions have never been implemented, primarily due to disagreements between India and Pakistan on the interpretation of the enabling conditions.

1.4 The elusive win-win-win solution

A number of solutions, from time to time, have been contemplated since 1947, seeking a final settlement of the Kashmir issue. The UN-mandated plebiscite is mired in deep uncertainties, if not impossibility. Even if one assumes a plebiscite is held in the whole of Jammu & Kashmir, and a simple majority of people decide to accede to Pakistan, it is highly unlikely that the plains of Jammu region and the Leh district would acquiesce to that outcome. Such is situation is likely to result in a sense of irreconcilable loss to India, with a potential of precipitating a military intervention, seeking control of these territories. Similarly, an outcome leading to the entire erstwhile Princely state of Jammu & Kashmir becoming a part of India in a plebiscite is fraught with immense perils for peace and security in the region.

Many other settlement ideas, as would be analysed in detail in subsequent chapters, like that of pre-1953 autonomous position for Indian-administered Jammu & Kashmir, 'Self Rule' vision of the currently-ruling People's Democratic Party, former Pakistani President General Parvez Musharraf's 5-point Formula and Achievable Nationhood vision have rarely been able to generate a consensus and a win-win-win situation for all parts of Kashmir, India and Pakistan. This work aims to propose conditions of a win-win-win situation.

2

Unsustainability of the status quo

There are several reasons why the status quo on Kashmir appears to be increasingly unsustainable. The following narrative identifies some of the relevant factors:

2.1 Kashmir - a stark contrast to India's image as world's largest democracy

With 1.21 billion people, of which 834 million can vote[14], India is unarguably the largest democracy in the world. The country is home to more than two thousand ethnic groups, with 122 major languages and 1599 other languages of lesser popularity. Approximately, 80%of India's population are the adherents of various Hindu religious denominations, followed by Muslims (14.23 %), Christians (2.3 %), Sikhs (1.72 %), Buddhists (0.70 %) and Jains 0.37 %[15]. Despite divergent socio-political aspirations among many communities and large income disparities, the democratic system has, albeit with imperfections, largely been successful in providing an inclusive environment of political representation to diverse groups of people. The electoral system, despite its own limitations, has been instrumental in acting as a safety valve in absorbing the pressures of political discontent that prevails among several ethnic, religious and sub-ethnic groups across the country.

Kashmir, on the contrary, represents a stark contrast to India's global reputation of a well-functioning democracy. Ever since Kashmir's former ruler Maharaja Hari Singh's conditional "accession"[16] to the Indian union in 1947, the latter's rule in Kashmir has been characterized by systematic erosion of the its constitutionally-guaranteed political autonomy through manipulative means, rigged elections, imprisonment of political leaders, human rights violations, infringement of civil liberties and economic exploitation. For most part of the post-1947 period, New Delhi has largely governed Kashmir directly, retaining key decision making powers on matters related to economic development, natural resource management, law and order, public finance management and civil liberties. All this despite the fact that most of these areas fall within the constitutional domain of what are referred to as the "state list[17]" in India's constitution. This state of affairs is seen as paradoxical to India's image of a vibrant democracy, undermining its assertions of avowed commitment to the principles of liberty, freedom and rule of law. There is a compelling case that a pragmatic and humanistic view of Kashmir and its future is likely to strengthen India's global reputation of a "temple of democracy."

2.2 The economic and human costs of India-Pakistan dispute

For nearly seven decades now since their independence, India-Pakistan bilateral relations have remained hostage to their entanglement over Kashmir. Owing to their political preoccupation and high economic costs associated with the confrontation over Kashmir, both India and Pakistan have lagged far behind their immediate peers in social and economic development. Consequently, a large mass of people in both the countries continue to be mired in poverty, disease and social injustice.

Despite some degree of progress in poverty eradication, India's Human Development Index (HDI) in 2015 was among the lowest in the world. With a score of 0.609, it ranked 130th among 188 countries[18] - only in league with some of the most impoverished countries of sub-Saharan

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[14] India census, 2011

[15] Ibid.

[16] Son and heir of last Kashmir ruler Maharaja Hari Singh, Dr. Karan Singh, now a senior Congress leader and member of India's Upper House, Rajya Sabha, in a path-breaking speech at India's Parliament on 11 August, 2016, stated, "…[My] father had acceded to the Union of India for only three subjects — Defence, Communications and Foreign Affairs…..[As such] Jammu & Kashmir did not merge [with the Indian union].

[17] Constitution of India defines subjects falling under "state list" as issues on which states have the power to legislate and decision-making.

[18] "Human Development Report 2015 – "Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience". HDRO (Human Development Report Office) United Nations Development Programme.

Africa. In comparison, China's HDI was 0.727 and ranked 90 in 2015. Pakistan was almost in the same league in relation with its immediate peers. Its HDI score in 2015 was 0.538 and the country ranked at 147[19] among 188 countries. Meanwhile, its peer countries like Malaysia and Indonesia have done far better in improving their people's overall wellbeing – with scores of 0.779 and 0.684 and global rankings of 62 and 110 respectively[20].

Poverty and destitution remain rampant in India. In 2015, India was home to 348 million[21] multi-dimensionally poor[22] people, representing 28% of the country's total population. In terms of numbers, India remains home to world's largest population of destitute people. Despite a decline from 2004 level of 55% destitution, 39% of Pakistan's population was destitute in 2015[23].

Even as the quantum increase in India's Gross Domestic Product (GDP) over the years has attracted wide attention to its potential as a booming market and investment destination, the country's GDP per capita remains quite low compared with its immediate peers like China and Pakistan. In terms of GDP (Nominal) while India ranks 7th in the world with USD 2,288,720 million[24] its GDP per capita was USD 1,581.6[25] in 2016, compared with USD 83.8 in 1960, marking a 1787 per cent increase in 56-year period.

In comparison, China's GDP per capita growth reflects a different story. From USD 88.7 in 1960 its GDP per capita increased to USD 7,924.7 in 2015[26], marking a massive 8834 percentage increase over the same period, almost six times increase compared to India.

On the other hand, Pakistan's GDP per capita was almost similar to that of India in 1960 - USD 82.5 in 1960. It rose to USD 1,429 in 2015, with a 1632 per cent increase in the same 56-year period. In comparison, one of Pakistan's peer countries – Indonesia – had a much better GDP per capita at USD 3,346.5 in 2015[27].

Country	GDP per capita (1960) - USD	GDP per capita 2015-16 - USD	Percentage increase
India	83.8	1581.6	1787
Pakistan	82.5	1429	1632
China	88.7	7924.7	8834
Indonesia	-	3346	

This clearly shows that both India and Pakistan's political and military preoccupation with each other, coupled with unsustainably high military expenditures, has had severe economic ramifications for the two countries.

[19] *Ibid.*
[20] *Ibid.*
[21] *Global Multidimensional Poverty Index 2015*
[22] *Multidimensional poverty - an idea conceived by Oxford Poverty & Human Development Initiative (OPHI) - is made up of several factors that constitute poor people's experience of deprivation – such as poor health, lack of education, inadequate living standard, lack of income (as one of several factors considered), disempowerment, poor quality of work and threat from violence.*
[23] *Multidimensional poverty in Pakistan, UNDP-Govt of Pakistan, 2016*
[24] *International Monetary Fund (IMF) 2016 estimates*
[25] *World Bank national accounts data, and OECD National Accounts data files.*
[26] *Ibid.*
[27] *Ibid.*

2.3 Military expenditures

India has become the world's fourth largest spender on defence, following a 13.1% increase in its 2016-17 defence budget $50.7 billion[28]. This massive spending is said to mainly pay for salaries and perks of the large number of military personnel, including those that India has stationed in Kashmir[29]. Further, India is today the world's largest arms importer, accounting for 14% of the global imports in the 2011-2015 timeframe[30].

In 2015, India's military expenditure was 2.4 % of its GDP, while Pakistan's expenditure was 3.6 percent[31]. In comparison, despite far greater geographical and strategic military engagements, China spent only 2 per cent of its GDP on its military in 2015[32]. Other peer countries like Indonesia, Malaysia, Brazil and South Africa spent 0.6, 1.5, 1.4 and 1.1 per cent of their GDP on their militaries in 2015[33].

Pakistani military budget was hiked by 11% in 2016-2017, reaching $8.2 billion[34], which is around one sixth of India's defence spending during the same period. Out of this, a whopping $3.12 billion will go sustain the salaries of army personnel; a large number of whom, like those of Indian Army, are deployed in its administered part of Kashmir.

This kind of military expenditure for both the countries serious undermines the two countries' targets in reducing poverty and achieving the targets of social and economic development.

Costs of Conflict/violence: India-Pakistan comparison

India and Pakistan in Global Peace Index, 2016[35]

COUNTRY	OVERALL RANK	OVERALL SCORE	REGIONAL RANK
Bhutan	13	1.445	1
Nepal	78	2.026	2
Bangladesh	83	2.045	3
Sri Lanka	97	2.133	4
India	**141**	**2.566**	**5**
Pakistan	**153**	**3.145**	**6**
Afghanistan	160	3.538	7

[28] *India jumps to fourth spot in defence spending, S R Sanjai, Apr 01 2016, Live Mint.*
[29] *All About Pay and Perks: India's Defence Budget 2016-17, Laxman K Behera, March 03, 2016 http://www.idsa.in*
[30] *Stockholm International Peace Research Institute (SIPRI)study*
[31] *Stockholm International Peace Research Institute (SIPR), 2015 Yearbook: Armaments, Disarmament and International Security.*
[32] *Inbid.*
[33] *Ibid.*
[34] *Defence budget hiked by usual 11pc, Baqir Sajjad Syed, Jun 04, 2016, The Dawn*
[35] *Source: Global Peace Index, 2016, The Institute for Economics and Peace (IEP)*

Costs of violence containment

COUNTRY	India	Pakistan
TOTAL COST OF VIOLENCE CONTAINMENT (MILLIONS, 2014 PPP)	679,803	124,922
PER CAPITA VIOLENCE CONTAINMENT COST (2014 PPP)	525	675
VIOLENCE CONTAINMENT COST AS PERCENTAGE OF GDP	9%	13%
VIOLENCE CONTAINMENT RANK (BY % OF GDP)	65	36

India's military expenditure as a percentage of GDP and total armed services personnel, 1995-2012 in comparison with other big powers – United States, Russia and China[36]

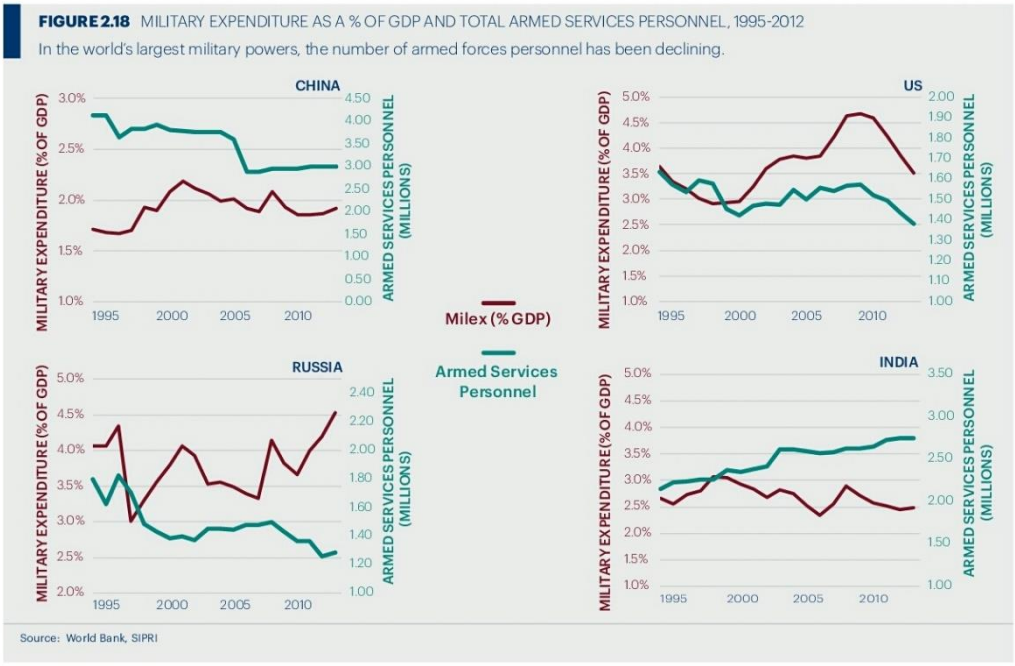
FIGURE 2.18 MILITARY EXPENDITURE AS A % OF GDP AND TOTAL ARMED SERVICES PERSONNEL, 1995-2012
In the world's largest military powers, the number of armed forces personnel has been declining.
CHINA
US
RUSSIA
INDIA
MILITARY EXPENDITURE (% OF GDP)
ARMED SERVICES PERSONNEL (MILLIONS)
Milex (% GDP)
Armed Services Personnel
Source: World Bank, SIPRI

2.4 India's poverty, jobs creation and GDP saturation tangle

Over the last two decades India has hogged global attention for its high rate of economic growth rate hovering around 10 %. Such phenomenal growth rate has translated into unprecedented wealth creation, albeit quite unevenly distributed. However, questions continue to be raised whether this growth rate was sustainable? Would job creation for its ever-increasing young population be able to keep pace with its population growth?

India's population is projected to rise from 1,210.3 million in 2012 to 1,399.8 million in 2026, an increase of 189.5 million or 15.7% over a period of 14 years[37]. In 2015, 420 million Indians were between the ages of 15 and 34, and every month for the next several years, 1 million Indians would

[36] *Source: World Bank, SIPRI, produced by Global Peace Index, 2016, The Institute for Economics and Peace (IEP)*
[37] *J Krishnamurty, Tackling India's shrinking youth bulge, Financial Express, 21 January, 2015*

be turning 18[38]. **In order to accommodate the 300 million people that will join India's workforce between 2010 and 2040, India needs to create roughly 10 million jobs a year[39].**

There are also questions related to productivity deficit of the newly-added population. About 30% of children under five in India remain clinically stunted[40]. Several studies have established a direct link between undernourishment and impaired cognitive development. With low human development and a high multi-dimensional poverty, large number of children in India would remain well below the optimum level of their productivity. Moreover, with the overall educational system mired in low quality learning outcomes, there are genuine doubts if the economic growth momentum will sustain in the face of high innovation deficit in India's economic system. Under certain assumptions, there will be at least 223 million poorly educated persons (illiterates and those educated only up to primary) of working age in India in 2026, implying that about a quarter of the population of working age will be poorly educated[41]. With difficulty in accessing or benefitting significantly from training and skill development programmes, this population would probably end up in low wage employment[42].

There are apprehensions that India's high GDP growth story might already have reached its peak. A study conducted by the Reserve Bank of India[43] suggests that while the country's potential growth rate was 6.7% at the end of 2015, down from 7.2% on average between 2009 and 2015 and from 7.6% in the five years before that, expectations for the pace of India's rise need tempering. If the country's potential growth rate is only 6.7%, then its present expansion of around 7.5% may be due to start slowing soon—or risk sparking rapid inflation[44]. Rupee's devaluation and the risk of capital outflow owing to the anticipated interest rate hike in the United States, coupled with low growth exports, growing imports and a bearish investment climate as a result of slow reforms, poor infrastructure and an uneasy business environment remain other major challenges[45].

The cumulative effect of this has several social, economic and political implications for India. One of the implications would be tremendous political preoccupation with balancing inflation, social services, jobs creation and public expenditure. This situation would also manifest in a deeper fiscal stress. That stress would necessitate tampering the scale and frequency for discretionary grants and security-related expenditure in its administered part of Kashmir. Given that India's principal approach to conflict management in Kashmir banks on a security and law & order instruments, it is difficult to imagine a positive transformation for its financial relationship with Kashmir.

2.5 Implications of Kashmir's existing economic model

Perpetual conflict in Kashmir, resulting in low investment, slow economic progress, acute under-development, high public debt and fiscal instability, has an inherent risk of an economic failure that could have serious implications for India's public financial system. In many ways – if not all – Kashmir is to the Union of India what Greece is to the European Union (EU). For most of its post-World War II history Greece fostered a bloated public sector at the cost of meritocracy, efficiency and productivity. In the entire post-1947 history New Delhi pursued a similar policy on Kashmir.

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[38] *Ibid.*
[39] *Danielle Rajendram, The Promise and Peril of India's Youth Bulge, The Diplomat, March 10, 2013*
[40] *Somini Sengupta The End of Karma: Hope and Fury Among India's Young*
[41] *J Krishnamurty, Tackling India's shrinking youth bulge, Financial Express, 21 January, 2015*
[42] *Ibid.*
[43] *Barendra Kumar Bhoi and Harendra Kumar Behera estimate in a recent paper published by the Reserve Bank of India.*
[44] *Ibid.*
[45] *Arjimand Hussain, India's Rupee: Devaluation and the policy options, World Bank Institute, 2014*

In 2009 Greece's budget deficit was 12.9% of its GDP. That is four times the European Union's 3% limit. Kashmir's revenue deficit after receiving union of India's tax transfers in 2015-16 was Rs 9892 crore, and is likely to rise to Rs 14,142 crore in 2019-20 - meaning even greater need for borrowing in coming years without corresponding revenue generation[46]. Moreover, Kashmir's debt liabilities stand at a whopping Rs 47,316 in 2013-14[47].

Kashmir hasn't been able to establish a vibrant private sector, just like Greece. It has remained heavily dependent on tourism, again like Greece. Greece's export basket didn't have a good variety, precisely like Kashmir. Its reliance on imports – mainly on energy and food – remained quite high, almost in the same way like Kashmir. It draws power from the European Grid, like Kashmir does from India's Northern Grid at a high price even though the power so bought is mostly produced from Kashmir's rivers.

For avoiding a Greece-like situation in Kashmir, the following measures steps are inevitable. The challenge is that most of these measures are not possible to contemplate under the existing political system in Kashmir.

The government size

With 3.90 lakh (0.39 million) government employees, Indian-administered part of Kashmir spends a huge chunk of public money for paying salaries and pensions. **Its revenue expenditure (which includes salaries, debt repayment and other administrative costs) rose from Rs 10614 crore in 2006-07 to Rs 22680 crore in 2010-11, which is 113 per cent in only five years. In percentage terms our capital expenditure is 24.64 per cent of the revenue expenditure.** All this is the doomsday script out of the Greek book. **Inevitably, government of India would need to cut the size of the government in Kashmir to make it financially survive. The reason that is not possible under the present circumstances is because the state depends on government jobs as a primary instrument of control over the politically disaffected population.**

Conflict-joblessness conundrum

In 2013-14, Kashmir had 179,398 students enrolled in higher education institutions[48]. This number doesn't include the unknown number of the state's youth getting education outside the state. J&K has the highest unemployment rate of 4.9% in comparison to its neighbouring Indian states of Punjab (2.8%), Himachal Pradesh (2.0%), Delhi (4.7%) and Haryana (3.2%)[49].

During the 11th Plan period 500,000 jobs are required to be created in J&K. J&K would have around 77500 job opportunities in the government sector during the next five years[50], meaning around 4.15 lakh jobs shall have to be created outside government. Creation of this number of jobs outside government is not possible in an environment of acute conflict and political strife. Consequently, precious human capital would serve to feed the political conflict.

[46] *Arjimand Hussain Talib, Could Kashmir go the Greece way? Jul 11 2015, Daily Greater Kashmir*
[47] *Ibid.*
[48] *Ibid.*
[49] *National Sample Survey (NSS), 2013*
[50] *J&K Economic Survey 2013-14*

Debt crisis

Kashmir's debt in 2013-14 stood at Rs 47316 crore[51]. The state cannot afford such borrowing because its tax revenue growth is unlikely to keep pace with its need for borrowings. It is quite likely that one fine day the state would have to spend almost whole of its budget on public salaries and repaying its debt. Even a default is possible because the government of the day would have several commitments to meet. The 14th Finance Commission in its report tabled before the Indian Parliament in 2014 has expressed the same concern over J&K's accumulating debt.

Kashmir in India's future federal tax devolution structure

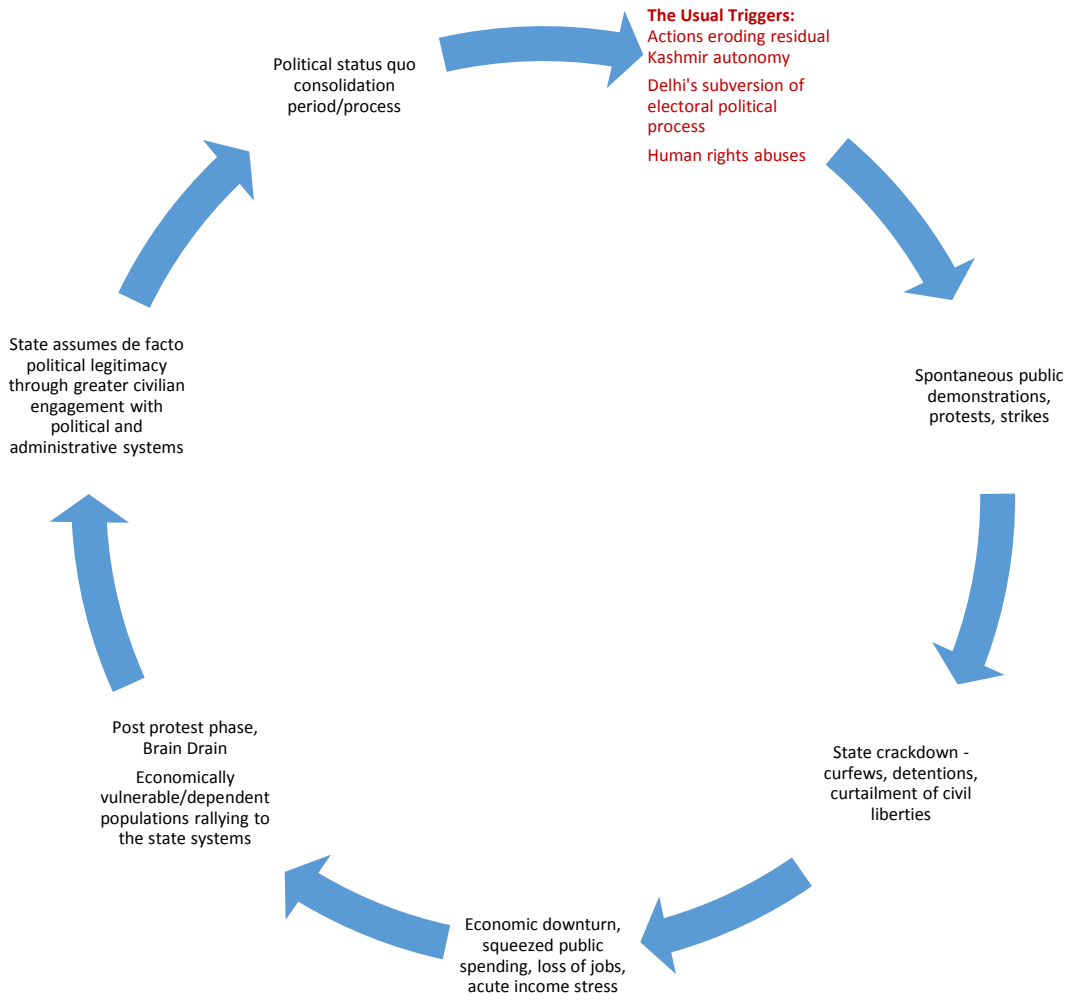
Even as J&K's own tax revenues have been growing lately, its tax revenue to expenditure ratio has to be sustainable. Astonishingly, while capital expenditure has increased by 40.55% only, the revenue expenditure has grown by 106.06% for the same period[52]!

Kashmir population is increasing at a rapid pace. The decadal population growth rate between 2001 and 2011 has been 23.64 percent[53]. Development and employment needs are rising. The disbursements from the government of India from the divisible pool are difficult to keep pace with the needs of revenue expenditure. Moreover, as a new federal structure evolves in India, disbursements to states would come under greater scrutiny and pressure. No states would be inclined to bail out states that have become debt ridden for any reasons.

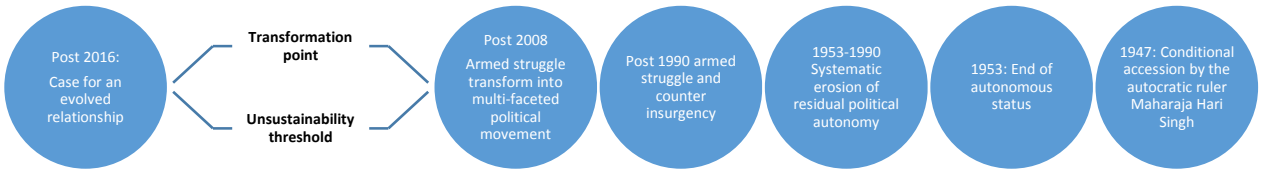
Perpetual situation of conflict would only devastate Kashmir's economy. Investment environment would remain highly gloomy. The remnants of the local private sector would diminish. The public expenditure would be disproportionately consumed by salaries, security related expenditure and debt servicing. The cumulative effect would be greater joblessness, an educated youth-bulge driven political upsurge and anger. That situation in turn would exert sustained political and economic pressure on both India and Pakistan, something that would be hard to manage, as demonstrated by the events of 2016 in Kashmir.

[51] *Arjimand Hussain Talib, Could Kashmir go the Greece way? Jul 11 2015, Daily Greater Kashmir*
[52] *Ibid.*
[53] *Jammu & Kashmir census, 2011*

2.6 Vicious Circle of Internal Dynamics that Underpin Intractability of Kashmir Conflict


The Usual Triggers:
Actions eroding residual Kashmir autonomy
Delhi's subversion of electoral political process
Human rights abuses
Spontaneous public demonstrations, protests, strikes
State crackdown - curfews, detentions, curtailment of civil liberties
Economic downturn, squeezed public spending, loss of jobs, acute income stress
Post protest phase, Brain Drain
Economically vulnerable/dependent populations rallying to the state systems
State assumes de facto political legitimacy through greater civilian engagement with political and administrative systems
Political status quo consolidation period/process

2.7 The Process of India-Kashmir Relationship Transformation


Post 2016:
Case for an evolved relationship
Transformation point
Unsustainability threshold
Post 2008
Armed struggle transform into multi-faceted political movement
Post 1990 armed struggle and counter insurgency
1953-1990 Systematic erosion of residual political autonomy
1953: End of autonomous status
1947: Conditional accession by the autocratic ruler Maharaja Hari Singh

2.8 Fueling the political conflict – Political strife and natural disasters

Kashmir is faced with deep economic vulnerabilities because of the raging political strife. Owing to its severe susceptibility to natural disasters like earth quakes[54] and floods, exasperated by its political ghettoization, Kashmir faces severe economic risks.

Kashmir's economic potential has been deeply dented in the last seven decades of its division between India and Pakistan. The consequent economic decimation, especially in the Indian-administered part of Kashmir, besides aggravating the already-existing political dissatisfaction has also fostered a system of economic dependence that neutralized any efforts towards re-establishing Kashmir's political autonomy. Such a state of affairs also fueled lack of investment in private sector and largescale unemployment. Any approach to resolving the Kashmir tangle must consider these factors, for these have a strong inter-connected bearing on the social, economic, political and psychological dynamics that underpin the Kashmir conflict. It is likely that major political upheavals and natural disasters would continue to wreck Kashmir from time to time. For understanding the extent of the impact of such events to Kashmir's political economy and the larger political dynamics, it is critical to understand some of the most severe periods/processes of economic jolts briefly explained as under:

a) **Geographical isolation and economic bifurcation as a result of annexation by and division of the state between India and Pakistan in 1947.**
This has resulted in Kashmir's isolation from its natural cross-frontier regional linkages like with central Asia[55], plains of Pakistan[56], plains of India[57], China[58] and the Arabian Sea[59], resulting in phenomenal constraints in the potential of trade, commerce and movement of men and capital. It would take a detailed and sophisticated study to determine the quantum of the economic loss Kashmir has suffered due to this situation.

b) **Kashmir's economic micro management by India and Pakistan**
Both parts of Kashmir have been adversely affected by their respective central government policies that have largely been designed to micro-manage investment, flow of external capital, borrowing and the overall economic architecture. These constraints have resulted in both parts of Kashmir missing tremendous investment opportunities, including from their resourceful diaspora communities and overall social and economic development, particularly in Indian-administered Kashmir. The determination of the quantum of the economic loss Kashmir has suffered due to this situation would require a more detailed and sophisticated study.

c) **The armed insurgency and counter insurgency period of post 1990**

One of the biggest and quantifiable jolts to Kashmir's economy was the 2-decade long period of intense insurgency and counter insurgency that started in 1990, which is estimated to have resulted in a loss of Rs. 200,000 crore[60] to Kashmir. This period

[54] *Kashmir falls in the high-risk Zone V of the global seismic map.*
[55] *For Indian-administered Kashmir*
[56] *Ibid.*
[57] *For Pakistani-administered Kashmir*
[58] *For Indian-administered Kashmir*
[59] *Ibid.*
[60] *Ishfaq ul Hassan, After 25 years, separatists have rethink on hartals, Daily News and Analysis, 16 Dec 2015, quoting Shakeel Qalander, industrialist and member Kashmir Centre for Social and Development Studies (KCSDS).*

coincided India's and the larger regional economic reform programme, which opened the doors to substantial economic opportunities and growth in the region. Kashmir missed the bus of those economic reforms, creating an economic development lag, which is now manifesting in greater political dissatisfaction among the masses and the unsustainability of the public financial management model.

d) The 2005 Kashmir earth quake

The devastating earth quake of magnitude 7.6 that struck Pakistan-administered Kashmir, with the capital Muzaffarabad taking the main brunt, on October 8, 2005, left a severe social and economic impact on that part of Kashmir. While some impact, including the loss of lives and property, was felt in the Indian administered part as well, the main economic impact – a staggering USD 5.2 billion[61] - was faced in Pakistan-administered Kashmir. The disaster has influenced the dynamics of Kashmir political conflict in myriad ways, ultimately serving to add to the complexity of the existing conflict.

e) The revolt of 2008

On 26 May 2008, the government of India and the government of Jammu and Kashmir had reached to an understanding to transfer 99 acres of forest land to a Hindu religious body administering an annual pilgrimage to a Himalayan cave location which Hindus revere as an abode of one of the Hindu Gods, to the Shri Amarnathji Shrine Board (SASB) in Kashmir[62]. The subsequent 80-day revolt in Kashmir resulted in a loss of Rs 21,000 crore to Kashmir's economy. The agreement was finally rescinded. The resultant economic loss has manifested in a large wave of brain drain and flight of capital from Kashmir.

f) The 2010 revolt

A widespread public revolt occurred in 2010 in Kashmir when a group of Indian Army personnel killed three innocent civilians near the Line of Control (LoC) in Handwara and claimed them to be as "terrorists." At least 110 civilians were killed when para military and police forces opened fire on the ensuing public demonstrations across Kashmir. As a result of curfews and general strikes, Kashmir's economy suffered Rs 6500 crore loss during the year[63]. Subsequently, an inquiry established the killings as a case of intentional homicide for securing cash rewards. Five Indian army officials were given life sentences after the inquiry established their guilt.

g) The historic 2014 flood

The floods that struck Kashmir in August 2014 dealt a severe blow to Kashmir's economy, which had started to recover from the acute economic shock experienced in the 1990s

[61] Dr Navin Peiris, Dr Tiziana Rossetto, Dr Paul Burton, Mr Suqlain Mahmood, The Kashmir-Pakistan Earthquake of 8 October 2005, A field Report by Earthquake Engineering Field Investigation Team (FEFIT) Institution of Structural Engineers, July 2008

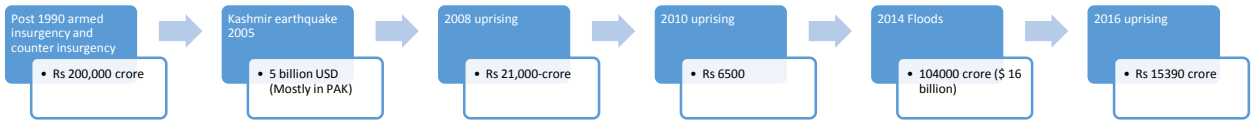
[62] On 26 May 2008, the government of India and the government of Jammu and Kashmir had reached an agreement to transfer 99 acres of forest land to a Hindu religious body administering annual pilgrimage to a Himalayan cave location which Hindus revere as an abode of one of the Hindu Gods, to the Shri Amarnathji Shrine Board (SASB) in Kashmir. A major furor occurred in Kashmir when a column published in Daily Greater Kashmir produced leaked information from a meeting conducted by the then Governor S K Sinha, who was then heading the SASB, with the vice-chancellor of a reputed Indian University based in Mumbai about the plan of setting up a township near Pahalgam Kashmir (Arjimand Hussain Talib, "Making of Amarnath Nagar", Dateline Srinagar, May 11 2008). Mr. Sinha had sought the support of the said university about creating "congenial psychological environment" in Kashmir for the setting up of the university.

[63] J & K economy suffers Rs 6500 crore loss due to strikes, The Hindu, 11 July, 2016.

period. According to the Annual Disaster Statistical Review 2015, Kashmir incurred losses of $16 billion (Rs 104,000 crore) in the devastating floods.

h) The 2016 revolt

As of October 2016, the 2016 Kashmir revolt has incurred an estimated loss of Rs 135 crore per day, aggregating to Rs 15390 crore during the corresponding period. This estimation is based on the analysis of the usually documented business trends by Kashmir Traders and Manufacturers Federation (KTMF). The actual business loss could be much higher given that not all economic activities, including services, are duly documented[64].



KASHMIR'S ECONOMIC LOSSES 1990 ONWARDS 1

2.9 The widening psychological and political gulf

Despite the passage of seven decades, India has not been able to establish a legitimate democratic political system in Kashmir. The political and psychological gulf between India and Kashmir has only widened because of the distrust, humiliation, subservience and intense repression that Kashmiris experienced in the post 1990 period. This gulf has only widened because of the radical nationalist BJP assuming power in India and Kashmir. Xenophobic treatment of Kashmiris, especially with the young, in India, occasionally accompanied with vigilante violence, has convinced vast majority of Kashmiris that a political reconciliation with India was not possible. The 2016 uprising in Kashmir and the severe force used to quell it has only served to widen the gulf between Kashmir and India, especially the younger generations.

2.10 Inability of the Electoral Politics in Facilitating a Durable Political Settlement

Throughout the post-1947 period in Indian-administered Jammu & Kashmir there existed three distinct schools of thoughts have existed within Kashmir's nationalist political parties engaged in democratic political system related to the terms of political engagement with the union of India that believed that:

a) Total assimilation of Kashmir with the union of India was the only viable settlement to the Kashmir question

The first school of thought has mostly been nursed by India's mainstream political parties like the Congress, Bharatiya Janata Party (BJP) and some of their representatives in Kashmir. However, barring some presence in parts of Jammu region and Leh district, these parties have been unable to attract mass appeal in the most populous province of Kashmir. These parties' ability to influence the political course in Kashmir has remained quite limited as well in Kashmir.

[64] As reported by Indian Express on August 26, 2016, in "Kashmir's economy suffers body blow, Rs 6400 cr loss in 49 days" quoting Mohammad Yaseen Khan, President KTMF.

b) The pre-1953 autonomous status of Kashmir, wherein it enjoyed full political autonomy except in areas of defence, foreign affairs and communications, or redefined self-rule, had to be restored for a final and durable settlement of the Kashmir issue.

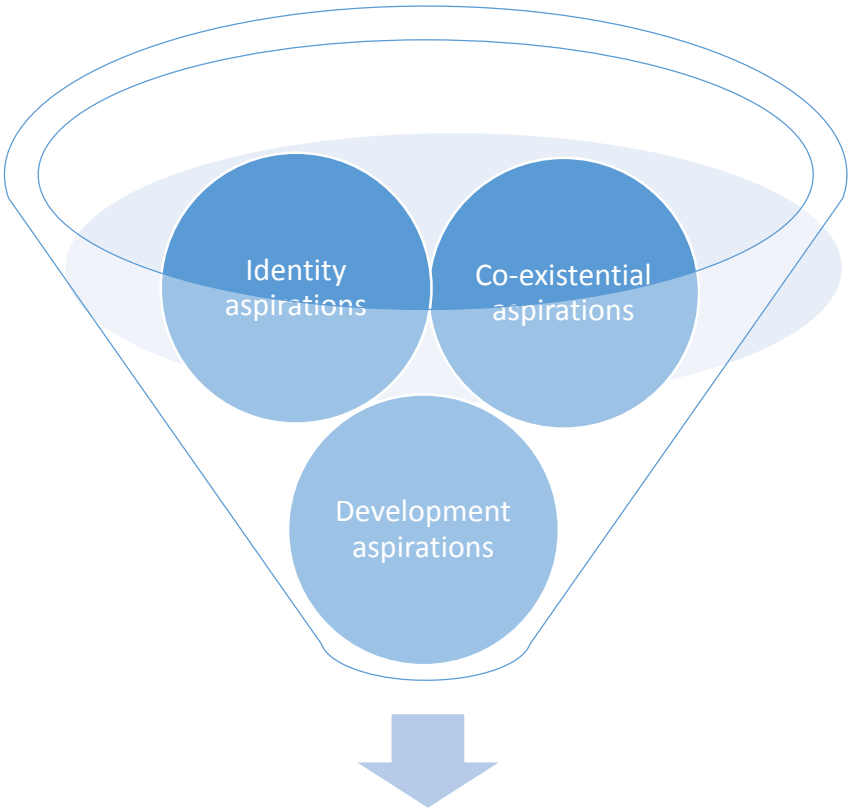
These positions have been espoused by Kashmir's largest pro-autonomy political party – the National Conference – throughout the 1953 era. Throughout the post-1953 era, all attempts by Kashmir's political parties and their leaders to create conditions for the restoration of autonomy have been stone-walled by successive the governments in New Delhi[65]. Even as the People's Democratic Party's Self-Rule vision sought to extend the idea of Kashmir's political autonomy to the other side of Kashmir, the government of India has shown disinclination to all these ideas seeking a change in the political status quo on Kashmir.

c) Participation in elections and the restoration of pre-1953 autonomous status was the first stepping stone in the creation of an independent state of Kashmir.

This view has been espoused by many politicians and individuals in Kashmir. However, this view has so far not crystallised into a formidable political movement or shaped into a major political party.

[65] *After winning the Assembly elections in 1996 during the height of the armed conflict, National Conference government introduced a resolution in the State Assembly on June 26, 2000, calling for the restoration of the pre-1953 status for whole of Jammu & Kashmir. Even as the resolution was passed by a two-thirds majority, it was rejected by the government of India, vide a cabinet decision on July 4, 2000, termed the resolution as "unacceptable".*

2.11 Kashmir's Identity-Development-Political Aspiration muddle



Distorted aspiration manifestation

2.12 Clash of the Extremes

For most part of the post-1947 India-Kashmir relationship, nationalist secular forces have been at the forefront of the political tussle on both the sides largely led by the Congress Party on the Indian side and the National Conference on the Kashmiri side. While religio-political forces like the *Rashtriya Swayemsewak Sangh (RSS)* and Jamaat-i-Islami and their offshoots have always wielded considerable political influence, they had not managed to occupy India and Kashmir's political centrestage. At the beginning of the millennium a major upsurge of Hindu rightwing *Sangh Parivar*[66] in India resulted in its electoral political arm - Bharatiya Janata Party (BJP) – ascending to power. This centrist rally of the Hindu rightwing in India – drawing its political inspiration from an exclusionary and majoritarian religio-political worldview - has resulted in widespread disquiet among India's religious and caste minorities, particularly Muslims, Christians and Dalits. This rise of the Hindu Right has also acted as a catalyst to the prominence of certain rightwing socio-political forces in Kashmir, increasingly driving the centrist nationalist political forces to political margins. This situation has an inherent risk of a new clash of extremes on Kashmir - relying on violent means in seeking political and religious supremacy, devoid of a common ground in peace and conflict resolution.

2.13 Millennial generation interaction

The millennial generations of Kashmir and India view Kashmir-India relationship from a prism that is characterized by intense distrust, confrontationist attitudes and socialisation aversion. These generations haven't seen the time of relative peaceful co-existence between Kashmir and India in the pre-1989 period. Fed on an incredibly subjective and jingoistic TV news media coverage on Kashmir, this generation has come to see each other as the distinct and irreconcilable "other". Common spaces of sharing, friendship and socialization are shrinking. This is an unprecedented situation.

2.14 Hyper nationalism squeezing social common ground

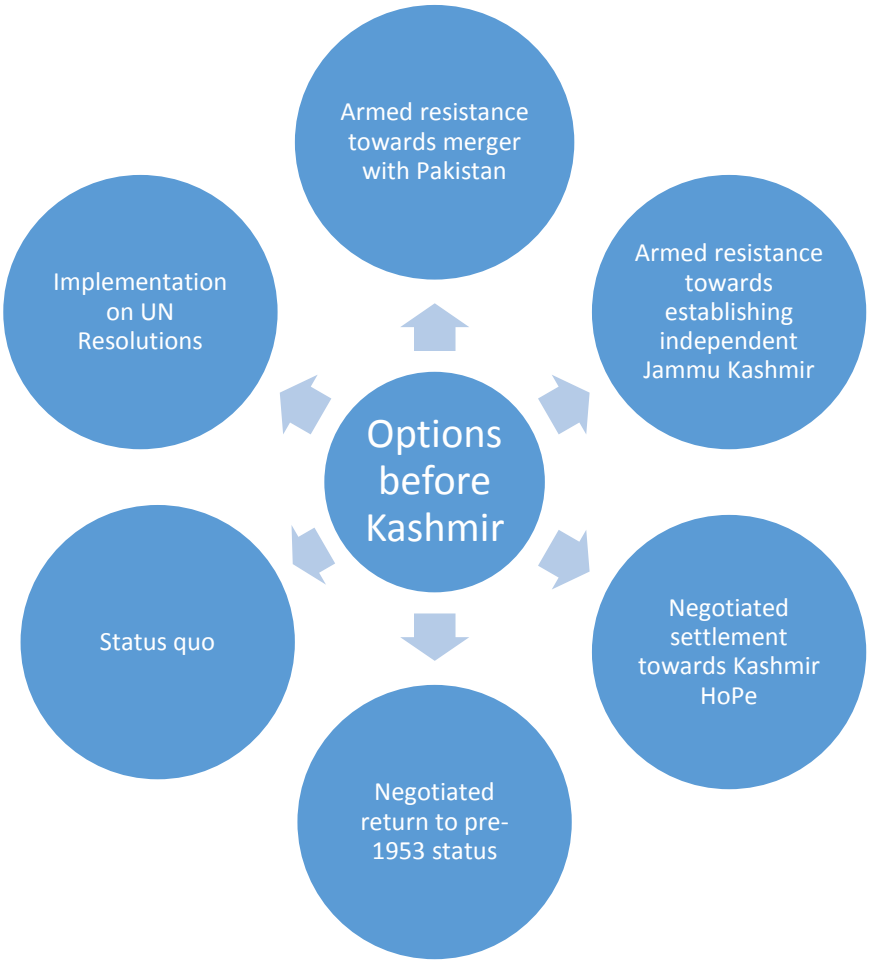
At least 200,000 Kashmiris work/study/do business and live across India. Despite the prevalence of a historical political and cultural gulf between Kashmir and India, there existed a significant social common ground that made a peaceful co-existence possible. Most Indians would revel in the romantic idea of idyllic Kashmir as a cherished holiday destination. Married couples would dream of honeymooning in the alpine resorts of the vale. Kashmiri handicrafts have for long evoked immense attraction among Indian citizens – making trading of handicrafts between Kashmir and India an area of significant social and economic interaction.

For decades, certain elements of Indian culture have remained a matter of attraction for Kashmiris as well. 'Bollywood' movies and the music are widely popular among Kashmiris. . With most of the Bollywood movies of 1960s and 1970s made in Kashmir, there existed a substantial space of interaction and common interests around tourism, literature, education and so on. That space is shrinking fast.

[66] *Term Sangh Parivar is usually used to refer to Hindu extreme right wing political forces, including the Parivar's ideological fountain – Rashtriya Swayemsewak Sangh (RSS)*

3
Options before Kashmir

3.1 Options before Kashmir – the way out


Options before Kashmir
Armed resistance towards merger with Pakistan
Armed resistance towards establishing independent Jammu Kashmir
Negotiated settlement towards Kashmir HoPe
Negotiated return to pre-1953 status
Status quo
Implementation on UN Resolutions

Option 1: Status quo

Scenario	**Possible e**nabling factors	Assumptions	**Limiting factors**	Probability of sustenance
Government of India maintains status quo in Kashmir without any unbearable costs	India's strong military presence. Kashmir's economic control. Presence of pro-Indian political system, including political parties. Strong economic situation in meeting the financial needs of maintaining the status quo. Pakistan's deep pre-occupation with managing domestic political and security challenges. Absence of international pressure to alter the status quo. Absence of a strong political constituency in Pak-administered Kashmir calling for Kashmir's unification.	Absence of mass revolts. There is no potent armed movement jeopardizing its security and political calculus in Kashmir.	Huge human, social, economic and psychological costs for people of Kashmir. Radicalisation of Indian polity squeezing Kashmir's political space. India's inability in establishing a credible and favorable democratic political system despite passage of 70 years. Unsustainably rising economic costs in maintaining the status quo. Deeply impaired democratic political system. An assertive, well-educated and articulate younger generation deeply disinclined to reconcile with the status quo. Potent proliferation of organized resistance movement to rural areas.	Medium

Option 2: Armed resistance towards creation of independent Jammu Kashmir

Scenario	Possible enabling factors	Assumptions	Limiting factors	Probability of occurrence
Armed resistance leading to creation of independent Jammu Kashmir state.	Critical mass of support for armed resistance. Easy availability of funds and arms as in 1990s from across the Line of Control (LoC). Logistically and security-wise manageable access across the LoC to Pakistan-administered Kashmir.	Kashmir is able to bear the high social, human and economic costs in the process. Indian counter insurgency capability is subdued. There is support within the Pakistani establishment to the idea of independent Kashmir. Pakistan has been able to contain the insurgency in Federally Administered Tribal Areas (FATA). Pakistani state has been able to contain jihadi groups in Punjab seeking to establish an Islamic caliphate in Pakistan. Violence and organized crime in Karachi is contained. Baluch insurgency no longer requires heavy military and financial investment to contain. There is no international pressure to contain militancy/terrorism.	Strong opposition in Jammu, Leh and parts of Pakistan-administered Kashmir and Kashmir valley to the idea. India's ability to sustain similar campaigns in Pakistan. Lack of global political support for armed struggle. A perceived lack of commitment by pro-armed resistance groups in Kashmir to globally-preferred principles of democracy, human rights, pluralism, minority rights. High human and economic costs. Inability of the supporters across LoC in securing arms and finances to the level of 1990s at the time of Afghan Jehad. Indian military's highly superior counter insurgency and counter intelligence capabilities. Reinforcement of India's military infrastructure in Kashmir. India's improvised border security and counter intelligence measures. India's access to the mountainous northern frontier with China and Pakistan compromised, making its northern-most border along Punjab and Himachal militarily vulnerable. Pakistan's access to China through the Karakoram highway is blocked. China's land access to Gawadar port on Arabian sea is blocked.	Low s

			China-Pakistan Economic Corridor falls into jeopardy.	

Option 3: Armed resistance towards merger with Pakistan

Scenario	**Possible** enabling factors	Assumptions	Limiting factors	Probability of occurrence
Armed resistance leading to merger with Pakistan.	All pro-freedom political forces in Kashmir support the merger idea. Easy availability of funds and arms as in 1990s from across the Line of Control (LoC). Logistically and security-wise manageable access across the LoC to Pakistan-administered Kashmir.	Indian counter insurgency capability is subdued. There is no international pressure to contain militancy/terrorism. Pakistani state has the means to fund and sustain the armed movement.	Strong opposition in Jammu, Leh and parts of Pakistan-administered Kashmir and Kashmir valley to the idea. Lack of global political support for armed struggle. A perceived lack of commitment by pro-armed resistance groups in Kashmir to globally-preferred principles of democracy, human rights, pluralism, minority rights. High human and economic costs. Indian military's highly superior counter insurgency and counter intelligence capabilities. Reinforcement of India's military infrastructure in Kashmir. India's ability to sustain similar campaigns in Pakistan. India's improvised border security and counter intelligence measures.	Low

Option 4: Securing Plebiscite through implementation on UN Resolutions of 1948

Scenario 1	Possible enabling factors	Assumptions	Limiting factors	Probability of occurrence
All five permanent members of UN Security Council call for implementation of the resolutions.	Global geo-political situation makes the interests of all Permanent Five (P5) Security Council members to converge in the implementation of the resolution.	A limited or full-scale war between India and Pakistan affecting global peace, security and economic health beyond the global tolerance threshold. India's ability to influence one or more than one member to veto the resolution has vanished. Technically, the resolution is binding on both India and Pakistan. Both Pakistan and India agree to vacate their troops from the whole territory of J&K before the conduct of plebiscite. People of Kashmir have a consensus to choose between only India and Pakistan, with no option of independence. India's importance as a giant market to the advanced, industrialized world has diminished.	India's global importance as a high-value market. The veto power of the P-5 members. The perceived lack of commitment of Kashmir's pro-freedom movement to globally-preferred principles of democracy, human rights, pluralism, minority rights. India's strategic value as a counter-weight to China's rising power and influence. Expected opposition in Jammu plains and Leh and other parts of Jammu & Kashmir to become part of a process limiting future political options to India and Pakistan.	Low

Scenario 2:

Scenario 2	Possible enabling factors	Assumptions	Limiting factors	Probability of occurrence
China sponsoring a resolution in the Security Council, on behalf of Pakistan, for the conduct of plebiscite in Kashmir.	India limits China's access to the Gawadar Port on the Arabian Sea through the China-Pakistan Economic Corridor (CPEC). India engages in a pro-active endeavor in limiting China's access to and through South China Sea China find's Tibetan leader Dalai Lama's India-based activities crossing its tolerance threshold. China sees a plebiscite in Kashmir as conducive to its CPEC interests to Arabian Sea through Gilgit-Baltistan.	China suffers setbacks in its quest for control of South China Sea. The country embracing an aggressive foreign policy paradigm vis-à-vis India. No other P-5 member uses veto to rule out the Plebiscite. Technically, the resolution is binding on both India and Pakistan. Both Pakistan and India agree to vacate their troops from the whole territory of J&K before the conduct of plebiscite. People of Kashmir have a consensus to choose between only India and Pakistan, with no option of independence. India's importance as a giant market to the advanced, industrialized world has diminished.	Veto option of the P-5 members of the SC. Generally understood non-binding nature of the resolutions due to their passage under Chapter VI of the UN charter. *(During his visit to Pakistan and India in 2001, former secretary general of United Nations Kofi Annan had remarked that Kashmir resolutions were only advisory recommendations and comparing them with those on East Timor and Iraq was like comparing apples and oranges, "since those resolutions were passed under Chapter VII, which make them enforceable by the UNSC. According to the UN Charter, resolutions passed under chapter VI, like the resolutions on Kashmir, are considered non-binding. Only the resolutions passed under Chapter VII can be enforced by the United Nations through force or other means.[67])* Expected opposition in Jammu plains and Leh and other parts of Jammu & Kashmir to become part of a process limiting future political options to India and Pakistan.	Low

[67] *Malik Muhammad Ashraf, Going back to the UN on Kashmir, 11 August, 2016, Daily Times, Pakistan*

Scenario 3

Scenario	Possible enabling factors	Assumptions	Limiting factors	Probability of occurrence
UN General Assembly passes a resolution calling for UNSC vote towards implementation of a Plebiscite in Kashmir under *Chapter VII of the UN charter.*	A limited or full-scale war between India and Pakistan affecting global peace, security and economic health beyond the global tolerance threshold. Kashmir situation takes a kind of turn that invites significant and sympathetic global attention. Political stability has been achieved in Afghanistan. Situation in Af-Pak region no longer poses a global peace and security threat.	Majority of the UN General Assembly members perceive the resolution of Kashmir as a panacea for global peace and security. Pakistan has been able to garner support from majority of General Assembly members. The Security Council has the willingness of acting the resolution passed by the General Assembly. All P-5 members' geo-strategic and political interests converge on the issue.	Veto option of the P-5 members of the SC. Generally understood non-binding nature of the resolutions due to their passage under Chapter VI of the UN charter. *(During his visit to Pakistan and India in 2001, former secretary general of United Nations Kofi Annan had remarked that Kashmir resolutions were only advisory recommendations and comparing them with those on East Timor and Iraq was like comparing apples and oranges, "since those resolutions were passed under Chapter VII, which make them enforceable by the UNSC. According to the UN Charter, resolutions passed under chapter VI, like the resolutions on Kashmir, are considered non-binding. Only the resolutions passed under Chapter VII can be enforced by the United Nations through force or other means.[68])*Original plebiscite offering only two choices – accession with India or Pakistan. Expected opposition in Jammu plains and Leh and other parts of Jammu & Kashmir to become part of a process limiting future political options to India and Pakistan.	Low

[68] *Malik Muhammad Ashraf, Going back to the UN on Kashmir, 11 August, 2016, Daily Times, Pakistan*

Option 5: Restoration of Pre-1953 autonomous status for Indian-administered Kashmir

Scenario	Possible enabling factors	Assumptions	Limiting factors	Probability of occurrence
Government of India offer pre-1953 position to its Jammu & Kashmir as the final settlement to Kashmir dispute.	Unabated mass uprising in Kashmir transcending India's conflict management thresholds. Acute international pressure. All political formations in Jammu & Kashmir – including pro-independence, pro-Pakistan, pro-India, pro-autonomy evolve a consensus for pre-1953 solution as the final solution. There is an across the board consensus in Jammu & Kashmir and Pakistan to forfeit claim to UN resolutions in exchange for autonomy.	The situation in Kashmir has reached the level of unmanageability for the government of India. There is across-the-board political consensus across India. Pakistan and the Kashmiri refugees and Diaspora accept this as a final settlement. All political formations, including pro-independence and pro-Pakistan, commit to participating in elections Kashmiri militant groups based in Pakistan administered Kashmir and other Jehadi groups with interest in Kashmir back this settlement.	Pakistan's deep reluctance to accept this as a solution. Limited political support within Kashmir to the idea, especially among pro-Pakistan and pro-independence groups. Jammu plains' and Ladakh regions' reluctance to accept the autonomy solution in isolation from grating regional autonomy to their areas. No mechanism for reducing military presence in IAJK. No guarantee of peace and stability. Possibility of enhanced cross-LoC militant movement and operations in IAJK.	Medium

Option 6: Negotiated Settlement towards *Kashmir Haven of Peace* through Comprehensive Political Reconciliation Process on both sides of Line of Control (LoC)

Scenario	Possible Enabling factors	Assumptions	Limiting factors	Probability of occurrence
Perpetual political standoff in Kashmir and its unbearably high political and economic costs leading New Delhi and Islamabad towards a serious bilateral dialogue.	Pro-autonomy, pro-self-rule and pro-India parties/groups agree on embarking on Kashmir Comprehensive Political Reconciliation Process. Pro-independence and pro-Pakistan groups agree on respecting the political aspirations of people in Jammu plains, Ladakh and Gilgit Baltistan. Political reconciliation process leads to an inclusive environment for minority and ethnic groups to participate in the settlement process.	There is across-the-board political consensus across India. Pakistan and the Kashmiri refugees and Diaspora accept this as a final settlement. All political formations, including pro-independence, pro-autonomy and pro-Pakistan parties, commit to establishing Kashmir National Interim Political Steering Committee to lead the negotiation process. International community lends its support to the process in the interest of global peace and security. Militant groups based in Pakistan administered Kashmir and other Jehadi groups with interest in Kashmir back this settlement.	Inability of pro-independence, pro-Pakistan, pro-autonomy and pro-India parties/groups to forge political reconciliation. Lack of mediation and dialogue instruments to forge political consensus across LoC. India's reluctance in considering any change in the status quo.	High

4

How India and Pakistan stand to gain from Option 6?

The contours of the proposed *Kashmir Haven of Peace (HoPe) Accord* is based on the fundamental premise that this approach to resolving the Kashmir dispute carries an inherent win-win-win situation for the three principal parties – people of Kashmir, India and Pakistan. The following narrative seeks to objectively identify the gains that India and Pakistan could have with the final settlement of Kashmir dispute.

4.1 Gains for India

Issue	What Improved Relations with Pakistan Could Translate to for India
Demilitarization of Kashmir	India has become the world's fourth largest spender on defence, following a 13.1% increase in its 2016-17 defence budget $50.7 billion[69]. This massive spending is said to mainly pay for salaries and perks of the large number of military personnel, including those that India has stationed in Kashmir[70]. Further, India is today the world's largest arms importer, accounting for 14% of the global imports in the 2011-2015 timeframe[71]. A final settlement of Kashmir, besides resulting in a major reduction of active troops maintained throughout the territory of Kashmir, including demilitarization of Siachen Glacier by India is likely to result in a significant reduction in India's defense spending. Although India's current defence strategy is almost equi-focused on China and Pakistan, an improvement of relations with Pakistan would significantly minimize spending both on the maintenance of active armed forces and new arms acquisitions. India has spent over $120 billion on arms acquisitions over the last 15 years alone and twice as much spending is planned in the next two decades[72].
Energy Needs for Economic Growth	India's economy is forecast to grow at 7.5%/year in both 2017 and 2018[73]. The momentum of this growth is closely linked to the affordable and reliable availability of energy. Natural gas will make up a large part of India's consumed fuel by 2035, with demand rising 155% and imports more than quadrupling[74]. Falling domestic natural gas production and increased demand have already resulted in big increase in India's Liquefied Natural gas (LNG) imports. A final settlement of Kashmir issue and improved India-Pakistan bilateral relations could open newer vistas of affordable and reliable energy for India through the renewal of result-oriented dialogue on the feasible possibilities of the proposed Iran-Pakistan-India Gas Pipeline and Turkmenistan-Afghanistan-Pakistan-India (TAPI) Gas Pipeline[75].

[69] *India jumps to fourth spot in defence spending, S R Sanjai, Apr 01 2016, Live Mint.*
[70] *All About Pay and Perks: India's Defence Budget 2016-17, Laxman K Behera, March 03, 2016 http://www.idsa.in*
[71] *Stockholm International Peace Research Institute (SIPRI)study*
[72] *Global arms majors keen on Modi's 'Make in India' thrust, head for Aero-India in droves, Rajat Pandit, Times of India, Feb 9, 2015*
[73] *Pandey V., "IMF retains India growth forecast for the next two years at 7.5%," The Economic Times, Jan. 19, 2016.*
[74] *BP Energy Outlook, Country and Regional Insights - India, 2016*
[75] *TAPI will run 1,800 km, 200 km through Turkmenistan (starting from Galkynysh gas field in Turkmenistan's eastern Mary province), 773 km through Herat and Kandahar provinces, Afghanistan, and 827 km through Multan and Quetta, Pakistan, to end at Fazilka in northern Punjab province, India*

India's natural gas needs	India's 39 cubic meters (cm) per capita natural gas consumption lags far behind the world average of 469 cm per capita[76]. The country's gas demand could at least double from the current consumption levels of 139 mmscmd (in 2014) over the next 10-15 years[77]. India is currently the world's fourth-largest importer of LNG, behind Japan, South Korea and China. During FY10-FY15, Indian LNG imports increased at a CAGR of 11.1% to 15.5 MMT, with LNG's share in the overall gas supplies rising from 20% to 38% during the period[78]. Even as India, Pakistan, Iran, Turkmenistan, Afghanistan and other global multilateral bodies have been holding extensive negotiations in recent years in translating the possibility of Iran-Pakistan-India (IPI) pipeline and Turkeministan-Afghanistan-Pakistan-India (TAPI) pipeline into a reality, the fact of the matter is that none of these ideas are progressing owing to India-Pakistan mutual trust deficit and their continuous engagement in shaping a favorable political order in Afghanistan. An India-Pakistan agreement on Kashmir has a high potential in translating into a common understanding on the nature of the political future in Afghanistan. That possibility is also likely to make the prospects of TAPI practically more feasible. Energy cost and availability stability due to diversification of cheaper gas availability in India is likely to translate into the availability of varied instruments in managing high inflation in the country.
India-Pakistan Bilateral Trade	Presently, India-Pakistan trade amounts to less than 1 per cent of India's global trade, mainly due to high volumes of third country trade and informal trade between the two countries. The informal trade, including third country trade, is estimated at USD 10 billion[79]. Improvement in India's political relations with Pakistan could propel transformation of the existing trading regime between the two countries, translating into: Cheaper raw materials and low transportation and insurance cost, leading to improved quality of goods at competitive prices[80]. A key additional instrument in containing higher inflation. While consumers would gain in terms of lower prices and greater choice of traded goods; there would be significant revenue gains for the government by bringing informal trade into the formal channel.

[76] *EY analysis; BP Statistical Review of World Energy 2015; "World Development Indicators – Population Total," World Bank, 2015*
[77] *IEA World Energy Outlook 2015, PNGRB Vision 2030, 13th Five Year Plan source through Petroleum Planning and Analysis Cell website*
[78] *Petroleum and Natural Gas statistics 2014-15, MoPNG*
[79] *Status Paper on India-Pakistan Economic Relations, Federation of Indian Chamber of Commerce and Industry (FICCI), February 2012*
[80] *Ibid.*

	India's existing largest export trading partner countries are Bhutan (83.8%), Nepal (59.7%), Guinea Bissau (52.3%) and Afghanistan (33.5%). With the addition of Pakistan as a key trading partner, India's cheaper neighborhood trade could be substantially increased. India and Pakistan currently rely on an inefficient banking system, which is based on Asian Clearing Union (ACU), resulting in payment delays, jeopardizing any efforts towards establishing serious commercial relations between the two countries. Improved bilateral relations could lead to the establishment of more efficient banking system between the two countries.
Environmental improvement	At present, India's retail gas sector has only around 3 million home, 1,015 CNG station, 2.5 million CNG vehicle and 22,786 commercial and 6,087 small industrial users[81]. India is aiming expansion of city gas distribution network by adding more than 100 cities by 2022[82]. That would be only possible if TAPI and IPI concretise. Retail gas distribution in India can help manage urban pollution, along with providing cost competitive supplies to support growing cooking and transportation needs. Lower pollution and emission levels will help India in meeting its greenhouse gas (GHG) emissions commitments[83]. It will also enable it to addressing the catastrophic air pollution that the capital New Delhi faced in November 2016.
Electricity Demand, Economic Growth and Kashmir Settlement Linkage	Assuming 6 per cent GDP growth, India's electricity demand will peak at approximately 255,000 MW and 295,000 MW at 9 per cent growth in 2029 – 2030[84]. India's 12th five year plan (2012-17) estimates that an additional capacity of 75,785 MW is required over the plan period, including 10,897 MW from hydro-power (12 per cent of the estimated additional capacity). India's public sector National Hydro Power Corporation (NHPC) plans to develop 1109 MW in Jammu & Kashmir under the 12th Five Year Plan target, meaning about 10% of the generation target is planned to be achieved in Kashmir. The country has serious constraints in meeting the demands of its energy needs. For meeting the 2030 demand target, India could make greater efforts in expanding hydropower generation from Kashmir's rivers, resulting in more fierce resistance from Kashmiris and also giving birth to newer political frictions. The creation of United Kashmir HoPe state would give India a preferential buying status to the electricity produced from Kashmir's Chenab and Indus rivers. In view of Kashmir's independence in choosing investors for new

[81] *Petroleum and Natural Gas statistics 2014-15," MoPNG, accessed 29 December 2015*
[82] *"Vision 2030," PNGRB*
[83] *Gas market in India: Overview and future outlook, PHD Chamber of Commerce and Industry*
[84] *Meeting India's Energy Requirements in 2030, Future Directions International Pty Ltd. Australia, 2013*

	power projects, India would be at an advantage of accessing electricity without necessarily having to involve in large scale capital investment.
Bilateral investment	At present India and Pakistan do not allow investment into each other's countries. A settlement of Kashmir issue could mark the beginning of mutual investment in each other's countries, paving the way for immense economic opportunities. As of now, China is India's largest trading partner. India had a trade deficit of USD 48479 million with China in 2014-15. Its overall trade deficit was USD 137,625 million in 2014-15. Such a huge deficit could be overcome with the deepening of bilateral investment and trade between India and Pakistan.
World's largest democracy image	With 1.21 billion people, of which 834 million can vote, India is unarguably the largest democracy in the world[85]. Kashmir, on the contrary, represents a stark contrast to India's global reputation of a well-functioning democracy. India's pragmatic and humanistic view of Kashmir and its future is likely to strengthen its global reputation of a "temple of democracy."

[85] *India census, 2011*

4.2 Gains for Pakistan

Issue	What Improved Relations with Pakistan Could Translate to for India
Democratic consolidation	The inability of Pakistan's political system to mature into a well-functioning federal democratic system in its entire post-independence era has much to do with the country's Army assuming a major role in running the internal affairs and shaping the foreign policy of the country in the face of what it perceives as an existential threat posed by India. That perception was crystallised when in 1971, following a highly controversial plane hijack from Srinagar (Kashmir) to Lahore, India aided and abetted Bangla independence movement and undertook overt military action towards the dismemberment of formerly East Pakistan from the country. Pakistani military establishment has ever since remained deeply engrossed with creating similar conditions for India, particularly through the support to Punjab Sikh insurgency in 1980s. Even the October 1999 military coup in the country, in which the then Pakistan's Chief of Army Staff General Parvez Musharraf overthrew the then Prime Minister Nawaz Sharief, had its roots in Kashmir's Kargil war fought between India and Pakistan in May-June 1999. A final settlement of Kashmir, and an eventual rapprochement between India and Pakistan, would serve to strengthen democratic institutions in Pakistan and help delineate the roles and functions of military and civilian government.
Kashmir demilitarization	Pakistani military budget was hiked by 11% in 2016-2017, reaching $8.2 billion[86], which is around one sixth of India's defence spending during the same period. Out of this, a whopping $3.12 billion will go sustain the salaries of army personnel; a large number of whom, like those of Indian Army, are deployed in its administered part of Kashmir. Demilitarization of Kashmir and Siachen Glacier and the re-alignment of existing boundaries in Gilgit-Baltistan with Kashmir would translate into significant troop reduction for Pakistan. Moreover, with the country potentially embarking on a new relationship of cooperation and peace building with India in Afghanistan, significant reduction in military spending on the country's military operations in FATA region would be a logical outcome of Kashmir's final settlement.
Radicalism and terrorism	Pakistan happens to be one of the most acute victims of terrorism in the world. One of the contributing factors to the infrastructure and the ideological base of terrorism has been the inter-play of various political and religious forces in their quest for creating a monolithic theocratic

[86] *Defence budget hiked by usual 11pc, Baqir Sajjad Syed, Jun 04, 2016, The Dawn*

	entity spanning the geographical territories of Pakistan, Afghanistan, Kashmir and, to some extent, parts of India as well. A final settlement of Kashmir will enable the Pakistani state in de-crafting and reforming the architecture of radicalism in that country. It will also be in a better position in containing terrorism devoid of exceptions.
Benefits from Iran-Pakistan-India (IPI) pipeline and Turkeministan-Afghanistan-Pakistan-India (TAPI) pipeline	The fate of both Iran-Pakistan-India (IPI) and Turkeministan-Afghanistan-Pakistan-India (TAPI) pipelines hangs in balance due to the sustained India-Pakistan hostility. The political and security instability in Afghanistan, partly fueled by the frictions between Pakistan and India over coming to terms with the nature of the governing system in that country is a significant factor in a lack of forward movement in securing an agreement on Turkeministan-Afghanistan-Pakistan-India (TAPI) pipeline. Similarly, Iran-Pakistan-India (IPI) pipeline has failed to materialize so far due to a near-total breakdown of bilateral relations of Pakistan and India. Even as India is now contemplating a sea-based gas pipeline from Iran, bypassing Pakistan, a land-based pipeline is expected to be four times cheaper than any other option, even after taking into account transit fee payments to Pakistan. Pakistan stands to benefit immensely in case an agreement with India and Iran on transit fees is reached.
Peace in Afghanistan	In the aftermath of the Soviet invasion of Afghanistan in December 1979, a huge number of Afghan refugees poured into Pakistan. That complex refugee situation in Pakistan created complex social and religio-political conditions in that country, resulting in, inter alia, the proliferation of radical religious ideologies, institutions and newer Afghan political groups. Given that Pakistan acted as a conduit for the supply of US-supplied arms, ammunition and funding to anti-Soviet Afghan mujahideen groups, various studies have clearly established a spill-over effect in Kashmir. In the aftermath of the Soviet exit from Afghanistan, Pakistan and India have got embroiled in a complex war in Afghanistan, with both countries supporting rival political and armed groups for deeper geo-political influence in that country. There has been a spike of this India-Pakistan face-off in Afghanistan in the aftermath of the hijacking of an Indian airplane to Taliban-controlled Kandahar on 24 December 1999, resulting in the release of three militant leaders linked to Kashmir militancy[87]. A durable settlement of Kashmir, including an agreement on the nature of the future state of Afghanistan between India and Pakistan, could lead to the establishment of a unity government in that country, strengthening the prospects of durable peace there.
Focus on economic development, especially on the development of	China-Pakistan Economic Corridor (CPEC) is widely anticipated to enhance the potential for movement of goods, people and ideas in the South Asian region, particularly for China, Pakistan and Afghanistan. The success of CPEC rests on the ability of Pakistan in establishing durable

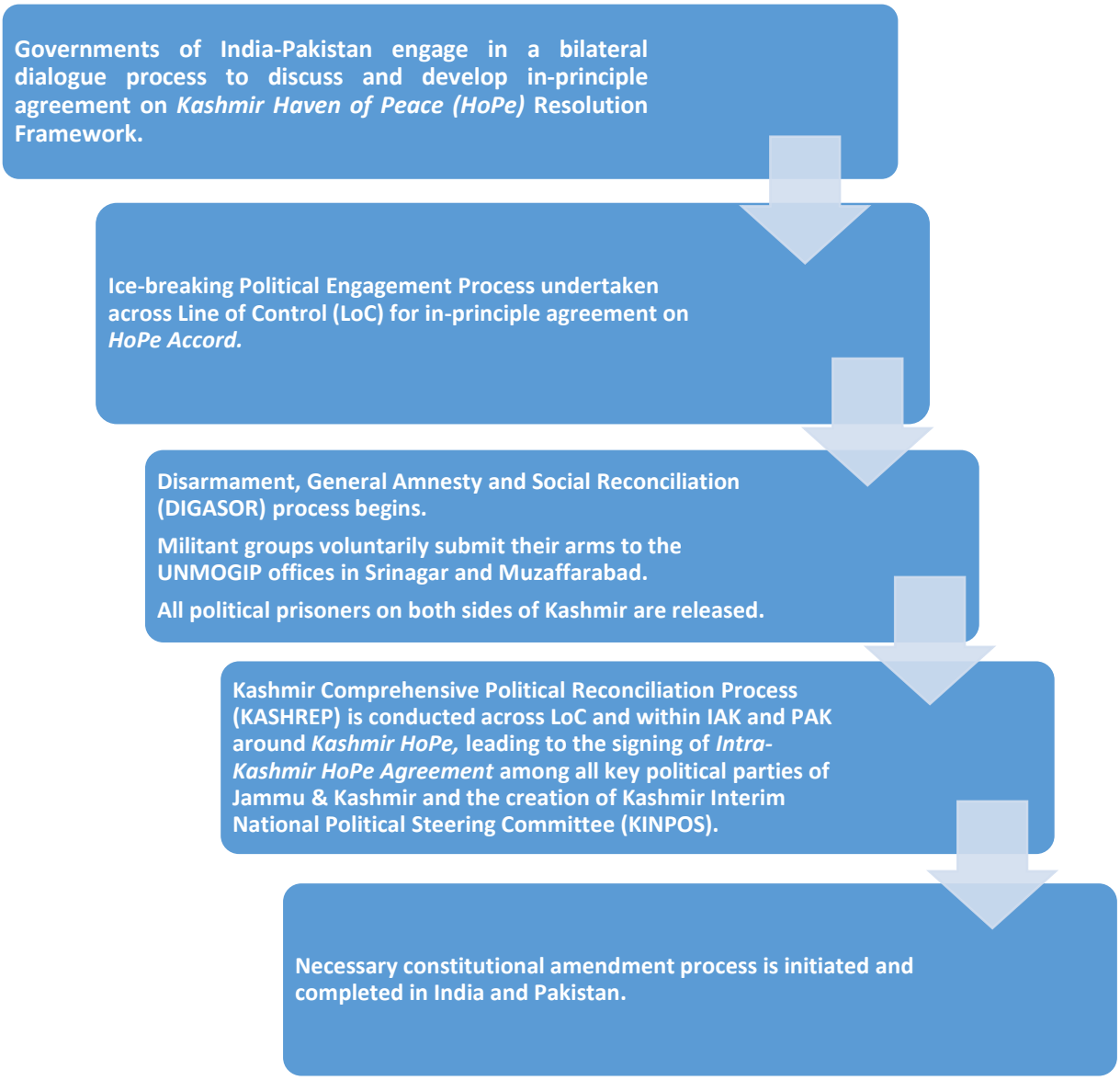
[87] *On 24 December, 1999, Indian Airlines flight IC 814 flying from Tribhuvan International Airport, Kathmandu to New Delhi was hijacked to Kandahar, Afghanistan, leading to the release of Maulana Masood Azhar, Ahmed Omar Saeed Sheikh and Mushtaq Ahmed Zargar known to be linked to Kashmir militancy.*

China-Pak Economic Corridor	peace and stability in the country, including on its borders with Afghanistan and India in Kashmir. The country's current level of pre-occupation with Kashmir is unlikely to enable it in creating a stable and congenial business and trade environment for realizing CPEC's full potential.
India-Pakistan Power Grid	India and Pakistan have been discussing the possibilities of power grid inter-connectivity between the two countries for several years now without any positive outcome. The first meeting of the Joint Group of Experts to examine feasibility of the trade of electricity was held on 20 October 2011 at New Delhi, however, there has been no forward movement since then. A final Kashmir settlement could pave the way for the creation of a joint power grid between the two countries, including the power generating system in Kashmir.
Kashmiri refugees' return to United Kashmir.	A large number of Kashmiri refugees presently living in Pakistan could return their original places of residence in Kashmir. Such a situation would mark an end for the long-standing demand of these families for their re-union with their families and friends in Kashmir.
Political stability and fulfillment of human and democratic rights of people in Gilgit-Baltistan.	With Kashmir HoPe Accord formalizing Pakistan's legal position in Gilgit-Baltistan, Pakistan shall have enhanced policy options available in creating a credible democratic political system in that region, thereby according greater political, human and democratic rights to the people there. That situation is likely to create a more conducive political and economic environment for the China-Pakistan Economic Corridor (CPEC) and well as enhancing the scope of economic benefits of Gilgit Baltistan people from the project.

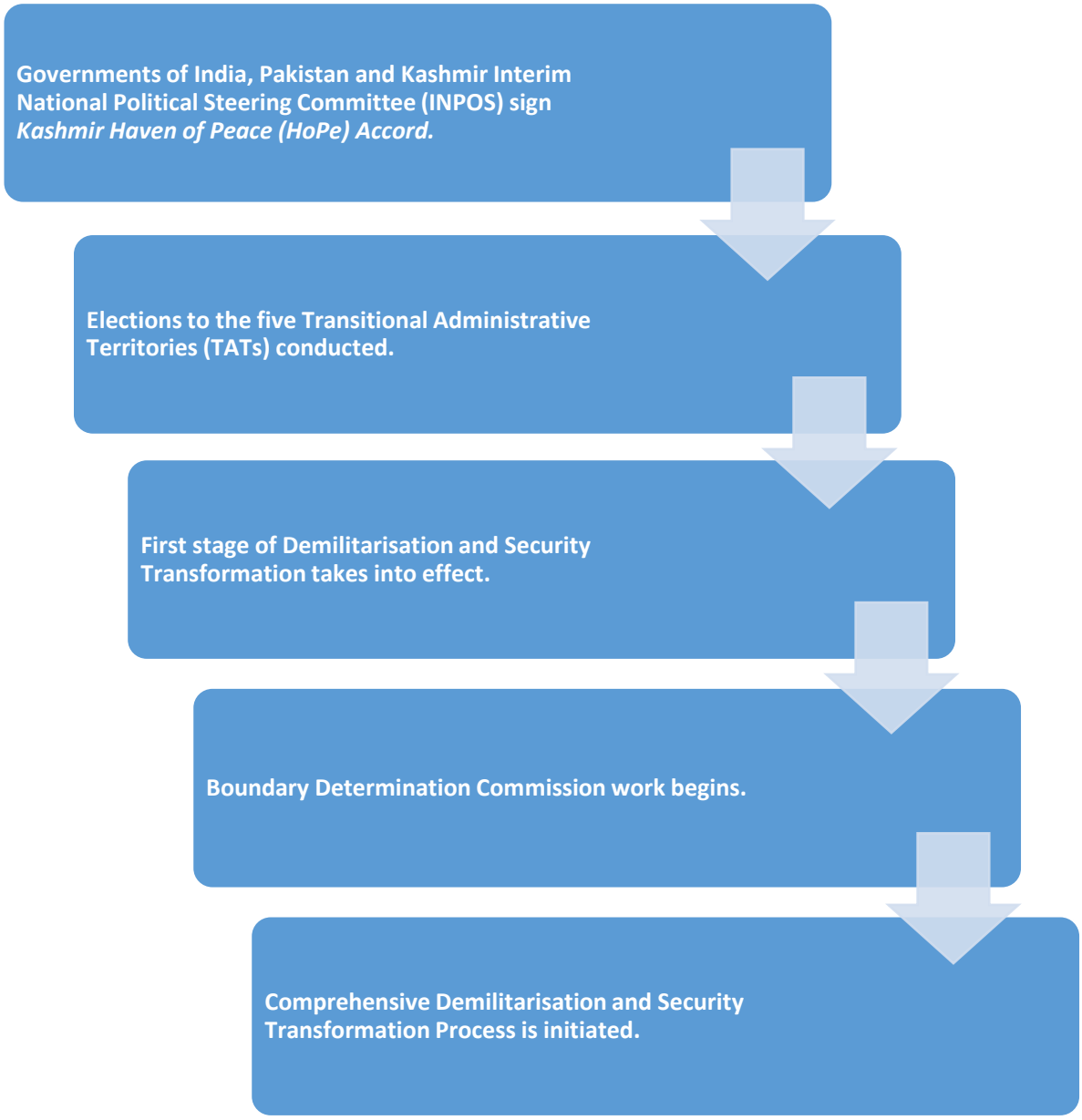
5

Proposed 11-step Dispute Resolution Process

5.1 Stage 1


Governments of India-Pakistan engage in a bilateral dialogue process to discuss and develop in-principle agreement on *Kashmir Haven of Peace (HoPe)* Resolution Framework.
Ice-breaking Political Engagement Process undertaken across Line of Control (LoC) for in-principle agreement on *HoPe Accord.*
Disarmament, General Amnesty and Social Reconciliation (DIGASOR) process begins.
Militant groups voluntarily submit their arms to the UNMOGIP offices in Srinagar and Muzaffarabad.
All political prisoners on both sides of Kashmir are released.
Kashmir Comprehensive Political Reconciliation Process (KASHREP) is conducted across LoC and within IAK and PAK around *Kashmir HoPe,* leading to the signing of *Intra-Kashmir HoPe Agreement* among all key political parties of Jammu & Kashmir and the creation of Kashmir Interim National Political Steering Committee (KINPOS).
Necessary constitutional amendment process is initiated and completed in India and Pakistan.

5.2 Stage 2


Governments of India, Pakistan and Kashmir Interim National Political Steering Committee (INPOS) sign *Kashmir Haven of Peace (HoPe) Accord.*
Elections to the five Transitional Administrative Territories (TATs) conducted.
First stage of Demilitarisation and Security Transformation takes into effect.
Boundary Determination Commission work begins.
Comprehensive Demilitarisation and Security Transformation Process is initiated.

5.3 Proposed timeline for the completion of the resolution process

Key milestones	Time period
Step 1	
Governments of India-Pakistan engage in a summit-level bilateral dialogue process to discuss and develop in-principle agreement on *Kashmir Haven of Peace (HoPe)* Resolution Framework.	3 months
Step 2	
Ice-breaking Political Engagement Process undertaken across Line of Control (LoC) with all key political parties for in-principle agreement on *HoPe Accord.*	6 months
Step 3	
• Disarmament, General Amnesty and Social Reconciliation (DIGASOR) process begins. • Militant groups voluntarily submit their arms to the UNMOGIP offices in Srinagar and Muzaffarabad. • All political prisoners on both sides of Kashmir are released.	Within 1 year from the start of the process
Step 4	
Kashmir Comprehensive Political Reconciliation Process (KASHREP) is conducted across LoC and within IAK and PAK around *Kashmir HoPe,* leading to the signing of *Intra-Kashmir HoPe Agreement* among all key political parties of Jammu & Kashmir and the creation of Kashmir Interim National Political Steering Committee (KINPOS).	KASHREP shall take one year, and would commence one year after the initiation of the resolution process
Step 5	
Necessary constitutional amendment process is initiated and completed in India and Pakistan.	This shall take 6 months and would commence soon after the completion of KASHREP

Step 6	
Governments of India, Pakistan and Kashmir Interim National Political Steering Committee (INPOS) sign *Kashmir Haven of Peace (HoPe) Accord.*	After 27 months from the start of the resolution process
• Existing administrative governments in Indian-administered Jammu & Kashmir and Pakistan-administered Jammu Kashmir are dissolved after the signing of the Accord. • Caretaker Prime Minister/President in Pakistan-administered Jammu Kashmir and caretaker Chief Minister and Governor in Indian-administered Jammu & Kashmir to look after the governments until the conduct of new elections. • Governments of India and Pakistan designate 15-year Transitional Administrative Period (TAP). • Five Transitional Administrative Territories (TATs) are notified. • Governments of India and Pakistan approach the UN for the enlargement of UNMOGIP mandate.	After 27 months from the start of the resolution process

Step 7	
Elections to the five Transitional Administrative Territories (TATs) conducted.*(Kashmiri Pandits and other Internally Displaced People (IDPs) in Indian Administered Kashmir and displaced Kashmiris from Pakistan-administered Kashmir shall be eligible to vote within their respective territories of Kashmir TAT and PAK-TAT)*	After 30 months from the start of the resolution process
Five-year-term Transitional Assemblies and Transitional Governments are formed in Indian-administered Jammu & Kashmir and Pakistan-administered Jammu Kashmir.	After 32 months from the start of the resolution process
Supreme Joint Sitting of the two Transitional Assemblies of PAK-TAT and Kashmir TAT ratify the *Kashmir Haven of Peace Accord.*	After 2 years from the formation of the transitional governments

Step 8	
First stage of Demilitarisation and Security Transformation takes into effect.	After 3 years from the formation of the transitional governments
Formal Resettlement Process of Kashmiri Pandits and other Kashmiri Refugees, Migrants and Asylum Seekers.	After 3 years from the formation of the transitional governments

Economic transformation process begins.	After 3 years from the formation of the transitional governments
India-Kashmir-Pakistan (INPKA) Joint Commission for Investigation and Closure of Cases of the Disappeared Persons begins	After 3 years from the formation of the transitional governments

Step 9	
Boundary Determination Commission work begins.	At the start of the 2nd term of Transitional Assemblies/ Governments
Citizenship Determination Process (CDP) begins.	At the start of the 2nd term of Transitional Assemblies/ Governments

Step 10	
Comprehensive Demilitarisation and Security Transformation Process is initiated.	At the start of the 3rd and final term of Transitional Assemblies/ Governments. It will take two years to complete.
Border Security Cooperation Mechanism (BOSCOM) takes effect.	3 years before the completion of Transitional Administrative Period.
Re-drafting and finalization of the Constitution of Kashmir Haven of Peace (HoPe)	3 years before the completion of Transitional Administrative Period.
Immigrant Workers' Travel/Residency Facilitation Agreements between India, Kashmir and Pakistan comes into force.	3 years before the completion of Transitional Administrative Period.

Step 11	
• Transitional Administrative Period (TAP) ends. • Formal re-unification of Kashmir TAT and PAK-TAT. • *Kashmir Haven of Peace* state takes birth.	15 years from the start of the resolution process.

Step 1

India-Pakistan summit-level dialogue in Srinagar

In recognition of the fact that the status quo was not serving the interests of the two countries, with significant risks to the long term peace and stability of the two countries, India and Pakistan shall embark on a bilateral Summit-level dialogue process mandating the facilitation of facilitating the Kashmir Comprehensive Political Reconciliation Process (KASHREP) across the Line of Control in Jammu & Kashmir towards developing a consensus on the *Kashmir Haven of Peace (HoPe) Framework* as the final settlement of the Kashmir issue[88]. Such a reconciliation process shall be guided by some fundamental principles of *Kashmiriyat,* viz. Kashmir's freedom and dignity, tolerance, moderation and inclusiveness.

In order to create a favourable environment for the peace and reconciliation process, the summit-level dialogue shall include an ice-breaking agreement on:

- Complete ceasefire along the Line of Control and International Border.
- Release of all political prisoners in Indian-administered part of Kashmir.
- Release of all political prisoners in Pakistan-administered Kashmir, including those who have espoused a political ideology other than Kashmir's accession to Pakistan.
- Withdrawal of extra-constitutional laws like the Armed Forces Special Forces Act (AFSPA), Public Safety Act and Disturbed Areas Act in Indian-administered part of Kashmir.
- Making a joint request to the United Nations for enlarging the mandate of the UN Military Observers Group in India and Pakistan (UNMOGIP) for overseeing the Disarmament, General Amnesty and Social Reconciliation (DISGASOR).
- An announcement of cessation of hostilities by the Muzaffarabad-based United Jehad Council (UJC), including support to the *Kashmir Haven of Peace* settlement process.
- Creation of the Mediation, Dialogue and Reconciliation Facilitation Group (MEDFAR Group) for facilitating the Kashmir Comprehensive Political Reconciliation Process (KASHREP).

[88] *This step would be in recognition of the fact that fundamental to any meaningful forward movement towards a permanent settlement of the Kashmir issue is the pre-condition of a political reconciliation process across Jammu & Kashmir involving political parties and platforms of varied political ideologies on both sides of the Line of Control.*

Step 2

Ice-breaking Engagement Process

Creation of the Mediation, Dialogue and Reconciliation Facilitation Group (MEDFAR Group)

India-Pakistan summit level agreement shall be followed by the designation of a Mediation, Dialogue and Reconciliation Facilitation Group (MEDFAR Group), which shall be a body of neutral and internationally-reputed mediators with successful international experience in conflict resolution, mediation and peace-building. India and Pakistan may seek assistance from the office of the Secretary General of the United Nations for identifying the members for the group, and finalise the same in mutual consultation. This mediation group shall have the following terms of reference:

a) The MEDFA Group shall be responsible for developing a road map on the Kashmir Comprehensive Political Reconciliation Process (KASHREP)

b) The MEDFA Group shall facilitate dialogue between various political formations of Jammu & Kashmir for political reconciliation, paving the way towards the agreement on the *HoPe Accord.*

c) The group shall facilitate trainings in peace-building, conflict resolution and reconciliation for the leaders and negotiators of all key political parties of Jammu & Kashmir through workshops and a plenary conference.

d) It shall mediate and seek agreements from all key political stakeholders of Jammu & Kashmir on a comprehensive amnesty process for former soldiers, militants and other combatants. Once agreed the agreement shall be signed between the representatives of INKPA.

e) The group shall facilitate a dialogue between the political representatives of Pakistan-administered Kashmir and Indian-administered Kashmir in finalizing the modalities of re-unification and post TAP government formation.

f) Shall coordinate with the governments of India, Pakistan and the UNMOGIP for the arms surrender by militant groups and smooth conduct of elections to the Transitional Administrations.

Step 3

Disarmament, General Amnesty and Social Reconciliation (DISGASOR) Process

Transitional violence is known to sow seeds of a new cycle of retribution and instability in newly-created independent political entities. South Sudan's chaotic transition to independence and its inability in achieving political reconciliation is a testimony to that in contemporary times. Historically, societies that have embraced forgiveness have witnessed longer-lasting peace and stability compared to those that chose revenge and exclusion. For ushering in an era of durable peace and social reconciliation, it would be critical that the subsequent Transitional Administrative Period (TAP) is free from violence, retribution and disharmony. Towards that a Disarmament, General Amnesty and Social Reconciliation (DISGASOR) process shall commence on both sides of the LoC stipulating that:

a) Prior to the conduct of the elections to the Transitional Administration Territories (TATs), all the militant groups shall voluntarily submit their arms to the UN Military Observers Group (UNMOGIP) offices in Srinagar and Muzaffarabad during a specified time period. Those political activists/combatants from Indian Administered Kashmir (IAK) who had crossed over to Pak-Administered Kashmir (PAK) after 1990 or before shall return and be re-united with their families with safety and dignity. Similarly, any combatants from Pakistan or Pak-Administered Kashmir (PAK) present in Indian Administered Kashmir after handing over their arms to the UNMOGIP office in Srinagar shall return to their native places in Pakistan or Pak-Administered Kashmir (PAK) with safety and dignity.

b) Surrender of all arms and ammunition by the state-supported Village Defense Committees (VDCs) and any other militias before the respective District Commissioners in the presence of UNMOGIP representatives in Indian-administered Jammu & Kashmir.

c) Release of all political prisoners on both sides of the Line of Control (LoC).

d) Bona fide state subjects of the erstwhile Princely State of Jammu & Kashmir presently living in India, Pakistan or other countries as refugees, asylum seekers and Internally Displaced People (IDPs) shall also have a right to safe and dignified return and choose to live in any of the newly-designated Transitional Administrative Territories (TATs).

Under this process, all major political parties/platforms of Jammu & Kashmir shall agree that coinciding the future notification of the Transitional Administrative Period (TAP), there shall also be general amnesty and opportunity of safe and dignified integration into the Kashmir TAT for the following categories of people:

a) State subjects of Jammu & Kashmir serving in Jammu & Kashmir Police, Indian Army, AJK Police, Pakistani Army, including those against whom there are attributions of state-sponsored violence. *(In case of acts of violence that would qualify as "war crimes" as per the International Humanitarian Law, either perpetuated by State Subject state actors or non-state actors, minor jail terms could be considered if a resolution to that effect shall be passed by the Kashmir-TAT and PAK-TAT Assemblies.*

b) State Subject leaders and members of political parties that had participated in elections and had been part of the Administrative governments in both Indian-administered Kashmir (IAK) and Pakistan-administered Kashmir.

c) State Subject government servants, including senior civil servants, who had served the governments of India and Pakistan either in Jammu & Kashmir state or in other states/provinces of India or Pakistan.

d) The descendants of the last ruler of the Princely state of Jammu & Kashmir Maharaja Hari Singh, possessing properties and other interests in the territories of United Kashmir, shall be entitled to own those properties and live in Kashmir as and when they wish to do so. They shall be entitled to citizenship of United Kashmir HoPe should they decide to be the citizens of the new entity. They shall also have the right to own the properties they hold should they decide against the citizenship of United Kashmir.

Step 4

Kashmir Comprehensive Political Reconciliation Process (KASHREP)

The Kashmir Comprehensive Political Reconciliation Process (KASHREP), facilitated by the mediation group – MEDREP - shall seek to develop a broad-based consensus among all the political parties/formations across Jammu & Kashmir on that:

a) Political status quo in the erstwhile princely state Jammu & Kashmir state has not worked; is politically unsustainable, risky and costly to all sides, and, therefore, morally untenable.

b) They will uphold the basic principles of *Kashmiriyat* – Kashmiri people's freedom and dignity characterized by the values of political and religious freedom for all, pluralism, responsible social and economic development, inclusiveness, tolerance, mutual respect and environmental sustainability.

c) They will leave behind the uneasy past, work in a spirit of collaborative partnership for charting a united and sovereign state of Kashmir through a trilateral peaceful dialogue with India and Pakistan.

d) An election shall be held separately in Kashmir, Jammu, PaK and Gilgit-Baltistan that shall pave the way towards the formation of governments for Transitional Administrative Territories (TAPs).

e) Any party/leader which/who does/do not believe in the proposed settlement shall have the right to seek

> i) political disengagement *(such disengagement shall not entail any retributive action, and shall be governed by globally-accepted norms of human rights)*
> ii) migration to any side of the territory of Jammu & Kashmir with right to citizenship of that territory/country
> iii) political asylum in any country of choice.

f) All state subjects of erstwhile Jammu & Kashmir state, including refugees, political and economic migrants, whether residing in India, Pakistan, Pak-administered Kashmir (PAK) or outside the sub-continent, shall have a right to dignified return to and equal citizenship in the future HoPe state of United Kashmir.

g) There shall be a general amnesty for all individuals/groups who served the Indian or Pakistani governments, J&K police, Indian or Pakistani armed forces or were representatives of Indian or Pakistani political parties. They shall have a right to full integration into the future independent state of Kashmir.

h) There shall be a general amnesty to all militant groups/militants and a dignified return and re-union with their families shall be facilitated during the TAP.

i) All parties shall embark on a peaceful, measured and negotiated settlement approach and reject the path based on militarism and insurgency, eventually leading to the creation of a sovereign, democratic, inclusive and independent state of Kashmir.

j) Future relations with India and Pakistan shall be governed by a spirit of respectful coexistence and equality.

k) The existing administrative governments, and also the Assemblies, in both Indian and Pakistani administered parts of Kashmir shall be dissolved in exercise of the amendments made in the Constitution of Indian-administered Jammu & Kashmir and the Azad Jammu Kashmir Interim Constitution Act of 1974.

Dissolution of all the existing Administrative governments and Assemblies

a) The existing administrative governments, and also the Assemblies, in both Indian and Pakistani administered parts of Kashmir shall be dissolved at the completion of the reconciliation process.

Establishment of the Kashmir Interim National Political Steering Committee (KINPOS)

The Kashmir Interim National Political Steering Committee (KINPOS) shall be created at the culmination of the reconciliation process which will have the following characteristics:

b) KINPOS shall have representatives of all the major indigenous political parties, inclusive of all shades of political opinion, from both Indian and Pakistani administered parts of Kashmir.

c) The Kashmir National Political Steering Committee (KINPOS) shall be comprised of the indigenous parties from Indian and Pakistani administered parts of Kashmir, reflecting representation of the geographical areas other than the regions of Gilgit-Baltistan, Leh and the Jammu plains where political status will be maintained.

d) KINPOS shall have members from the political parties that will express their unequivocal commitment to *Kashmir Haven of Peace (HoPe)* accord framework. Membership shall be irrespective of whether any political party has participated in any electoral process.

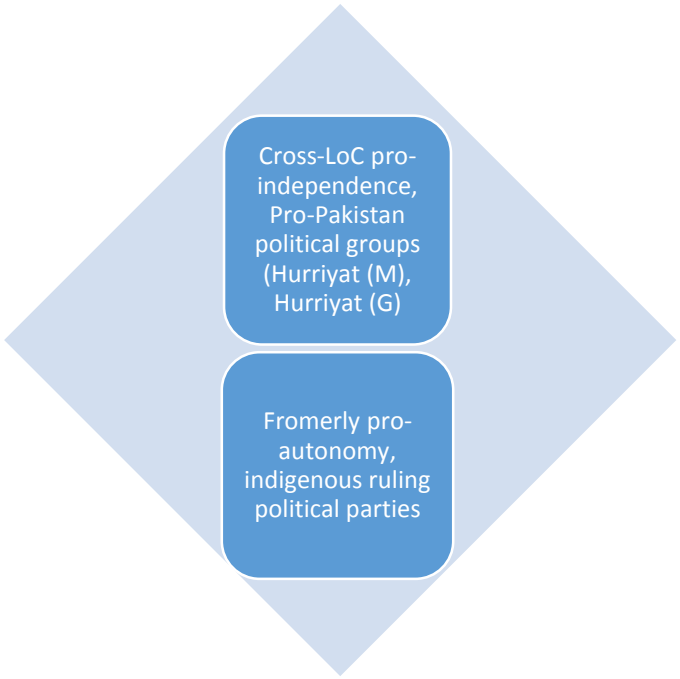
e) The fundamental mandate of the KINPOS shall be to nominate a leader and sign the *Kashmir Haven of Peace (HoPe) Accord* along with the heads of governments of India and Pakistan and also to nominate Negotiations Group, representing both parts of Kashmir, in the subsequent negotiations process.

f) The Terms of Reference (ToR) for the Negotiations Group shall be drafted and agreed unanimously by the National Political Steering Committee (INPOS), and will abide by the framework of *Kashmir Haven of Peace (HoPe) Accord.*

Existing political space-stakeholder landscape in Jammu & Kashmir

Pro-independence, Pro-Pakistan political groups (Hurriyat (M), Hurriyat (G)) and militant organisations
Pro-autonomy, pro-Indian, pro-Pakistan political parties
Elected representatives/ governments in Indian and Pakistan administered parts of Kashmir
The security establishment, including army, para-military forces, police

Political space-stakeholder landscape: Reconciliation phase


Cross-LoC pro-independence, Pro-Pakistan political groups (Hurriyat (M), Hurriyat (G)
Fromerly pro-autonomy, indigenous ruling political parties

Post-reconciliation process:

Step 5

Constitutional Amendment Process

Governments of India and Pakistan shall embark on a process of amendments in their respective constitutions to create a legal and constitutional basis for the *Kashmir Haven of Peace Accord.*

Similarly, a process of constitutional amendment shall be initiated in Indian administered Jammu & Kashmir and Pakistan-administered Jammu Kashmir at a suitable time, which will eventually be ratified by the Supreme Joint Session of the Transitional Assemblies of Kashmir Transitional Administrative Territory (Kashmir TAT) and PAK- Transitional Administrative Territory (TAT).

Whereas the Constitutional Act of 1934 of Jammu & Kashmir shall form the basis for the development of the new constitution of *Kashmir HoPe state* as far as to emphasize on the independent nature of the Princely state of Jammu & Kashmir before its annexation by and division between India and Pakistan, the new constitution for *Kashmir Haven of Peace state* shall be partly based on entirely new structure and spirit while a part shall be based on the relevant provisions of the existing Constitution of Jammu & Kashmir, 1954 and the Interim Constitution Act of Azad Jammu & Kashmir, 1974.

The fundamental changes in the Constitution of Jammu & Kashmir that shall form the basis for the more substantive changes required to be made and ratified by the Supreme Joint Session of the Transitional Assemblies during the Transitional Administration Period (TAP) shall be as under:

We, the people of the State of Jammu and Kashmir, having solemnly resolved, in pursuance of the Accord reached between the governments of India, Pakistan and the peoples of Jammu & Kashmir through this joint session of the representative Transitional Assemblies to transform the existing relationship of the State with the Union of India and Islamic Republic of Pakistan to secure to ourselves:

DURABLE PEACE, guided by the basic principles of Kashmiriyat - non-violence, human dignity, pluralism, tolerance, scholarship, entrepreneurship & innovation, economic self- reliance and environmental responsibility

JUSTICE, social, economic and political;

LIBERTY of thought, expression, belief, faith and worship;

EQUALITY of status and of opportunity;

and to promote among us all;

FRATERNITY, assuring the dignity of the individual and the unity of the Nation;

towards the creation of the reunited independent state of Kashmir, excluding Gilgit-Baltistan (which shall remain a part of Pakistan), Jammu region (comprising of Kathua, Samba, Udhampur, Reasi (with areas falling south and east of River Chenab, and including Reasi town, Vaishno Devi, Katra and Jyotipuram), Ramban (with areas of Batli, Salaria Mohalla and Khanga falling south of Chenab River), Jammu (its northerly extent not to extend beyond 32°45'01.6"N 74°32'20.2"E) at the entrance of the Chenab river into the territory of Pakistan[89] and Leh district.

Other key amendments to the Constitution of Jammu & Kashmir that the Joint Session of the Transitional Administrative Governments (TAGs) shall ratify

[89] *This reorganization of territory shall exclude the areas of Tanda, Jhourian, Rakh Malal and Manwar, falling north of Chenab River with the territory of Kashmir.*

Section (2): Any reference in the amended Constitution to Acts or laws of the State Legislature, including a reference to an Ordianance made by the Sadar-i-Riyasat, shall be construed as nullified and subject to redefnition in new amended constitution.

PART II of the Constitution of Jammu & Kashmir, 1956

REDEFINITION OF THE STATE

(3) The State of Jammu and Kashmir as defined in the 1956 constitution shall be refined and comprise of

a) A re-organsied and sovereign state of United Kashmir, comprising of the districts of Anantnag, Badgam, Bandipora, Baramula, Doda, Ganderbal, Kargil, Kishtwar, Kulgam, Kupwara, Pulwama, Punch, Rajouri, Ramban (the part territory as agreed in the Kashmiriyat Accord), Reasi (the part territory as agreed in the Kashmiriyat Accord), Shupiyan, Srinagar, Mirpur, Kotli, Bhimber, Muzaffarabad, Hattian, Neelam, Poonch, Haveli, Bagh and Sudhanoti.

The territory of the State that will remain a part of the Indian union shall comprise of

Jammu region (comprising of Kathua, Samba, Udhampur, Reasi (with areas falling south and east of River Chenab, and including Reasi town, Vaishno Devi, Katra and Jyotipuram), Ramban (with areas of Batli, Salaria Mohalla and Khanga falling south of Chenab River), Jammu (its northerly extent not to extend beyond 32°45'01.6"N 74°32'20.2"E) at the entrance of the Chenab river into the territory of Pakistan[90] and Leh district.

The territory of the State that will remain a part of the state of Pakistan shall comprise of the districts of Shigar, Kharmang, Skardu, Ghizer, Hunza, Nagar, Astore, Ghanche, Diamer and Gilgit.

The executive and legislative powers of the new sovereign state of United Kashmir HoPe shall extend to all matters, including those with executive and legislative powers falling within the "central list" of laws enshrined in the respective constitutional provisions of India and Pakistan.

During the Transitional Administrative Period, United Kashmir Constitutional Amendment Commission shall be mandated by the Supreme Joint Session of the Transitional Administrative Assemblies for effecting the necessary amendments/additions/changes in the existing Constitution of Jammu & Kashmir, which shall include, but not limited to:

Article 144 - Shall determine the nature of the flag of the new state.

Article 145 - While the official language of the State shall be Urdu, but the English language shall continue to be used for all the official purpose of the State for which it was being used immediately before the commencement of the new Constitution. Additionally, Pahari, Gojri, Balti-Purgi and Shina shall be recognised as other state languages.

Amendment to the Article 48: The amended article shall read as: With the reunification of Kashmir the reserved twenty-five seats in the erstwhile Legislative Assembly for the Pakistan-administered Kashmir shall be created for the united Parliament, excluding the seats reserved for Gilgit-Baltistan. The delimitation of the territorial Constituencies shall be undertaken as part of the comprehensive delimitation for the entire united Kashmir.

PART III - Redefinition of the Permanent Residents section

[90] *This reorganization of territory shall exclude the areas of Tanda, Jhourian, Rakh Malal and Manwar, falling north of Chenab River with the territory of Kashmir.*

PART IV – Directive Principles of State Policy

PART V - Redefinition of the Executive and the Head of the State (The Sadar-i-Riyasat)

The Council of Ministers - Article 35 (1) which shall include the redefinition of the nomenclature of the Council of Ministers, the functions, powers and the role of the Prime Minister.

PART VI - The redefinition and restructuring of the existing nomenclature, composition, powers etc. of the State Legislative Assembly as the State Parliament.

Legislative Procedure: Redefinition and re-designation of the existing Legislative Procedure to the expanded Parliamentary Procedure.

PART VII - Amendment to the nomenclature and jurisdiction of the High Court as the Supreme Court of Kashmir, redefining the powers, jurisdiction and the selection of judges.

PART VIII - Amendment to the existing terms of financial, property and contracts management.

PART X - Re-designation of an independent Election Commission of Kashmir, its powers and the terms of the conduct of election to the Parliament and the local bodies.

Similarly, some of the fundamental provisions/articles that shall be amended and ratified by the Supreme Joint Transitional Assembly Session for the Azad Jammu & Kashmir Interim Constitution Act, 1974, shall be as under:

To be amended for omission to the ideology of the State's accession to Pakistan.

The First Schedule: Oath of the Office of President, Prime Minister and other offices of the executive and High Court omitting the mention of "That, as President/Prime Minister of Azad Jammu and Kashmir, I will remain loyal to [..] the cause of accession of the State of Jammu and Kashmir to Pakistan"

Article 21 (2). Azad Kashmir Council shall cease to exist

Amendment to *Article 7: Freedom of association*

(2) No person or political party in Azad Jammu and Kashmir shall be permitted to propagate against, or take part in activities prejudicial or detrimental to, the ideology of the State's accession to Pakistan.

To be amended

Article 56. Act not to derogate from responsibilities of Pakistan.

Nothing in this Act shall derogate from the responsibilities of the Government of Pakistan in relation to the 1 [matters specified in sub-section (3) of section 31] or prevent the Government in Pakistan from taking such action as it may consider necessary or expedient for the effective discharge of those responsibilities.

Amendment to the Constitution of India

a) Retraction of the Article 370

To reflect the actual scope of the territories of erstwhile Princely state of Jammu & Kashmir, including the Pakistan Administered Kashmir, which would become part of the future *Kashmir Haven of Peace state*, amendments shall be made in the Article 1 of the Constitution of India which defines Jammu and Kashmir as a State of Indian Union. The First Schedule to the Constitution of India defines the territory of Jammu and Kashmir as: *The territory which immediately before the*

commencement of the Constitution was comprised in the Indian State of Jammu and Kashmir[91]. That amendment would also entail retraction of the Article 370 of the Indian constitution and complete merger of the Jammu region, comprising of the districts of Kathua, Samba, Udhampur, Reasi (with areas falling south and east of River Chenab, and including Reasi town, Vaishno Devi, Katra and Jyotipuram), Ramban (with areas of Batli, Salaria Mohalla and Khanga falling south of Chenab River), Jammu and Leh within the Indian union.

[91] *This shall be consist with the Section 4 of the Constitution of Jammu and Kashmir as states: The territory of the State shall comprise all the territories which on the fifteenth day of August, 1947, were under the sovereignty or suzerainty of the Ruler of the State.*

Step 6

Kashmir
Haven of Peace (HoPe)
Accord

The governments of India, Pakistan and Kashmir Interim National Political Steering Committee (INPOS) shall sign an accord by virtue of which Transitional Administrative Territories (TATs) shall be created across the Line of Control (LoC), followed by partial demilitarization and security transformation accompanied by political autonomy for a 15-year Transitional Administrative Period (TAP) and the eventual re-establishment of *Kashmir as a Haven of Peace* through a multi-stage process. The Accord, which shall be ratified by the Autonomous Assemblies of the Transitional Administrative Territories (TATs), shall essentially be based on the fundamental democratic principle of majoritarian political aspirations on both sides of the Line of Control (LoC) in the erstwhile Princely state of Jammu & Kashmir, recognizing the complexities and a lack of forward movement related to other solutions, including the implementation on the UN Security Council Resolution of 1948, contemplated or prescribed from time to time.

The Accord, guided by the core principles of *Kashmiriyat* - non-violence, human dignity, multi culturalism, pluralism, tolerance, scholarship, entrepreneurship & innovation and environmental responsibility – will reflect the following political realities:

a) That several India-Pakistan bilateral accords/engagements/initiatives seeking a settlement of Kashmir issue peace – like the Tashkent Agreement[92], the Shimla Agreement[93], the Sharm el Sheikh Joint Statement[94], the Lahore Declaration[95] and the Agra Summit[96] – have been unable to resolve this long-standing issue and the establishment of durable peace between India and Pakistan.

b) That despite several major wars/military hostilities between the two countries over Kashmir, including the 1947 war, the 1965 war, the Kargil war of 1999 and the armed insurgency in Kashmir, and the major military mobilisation in 2001-2002, both the countries have been unable to achieve decisive military outcomes to be able to claim unquestionable control/administration over the erstwhile Princely State of Jammu & Kashmir.

c) That an overwhelming majority of people in the Indian-administered Kashmir province, including Kargil district, and Pakistan administered Kashmir, representing circa 75 % of the total population of the erstwhile Princely state of Jammu & Kashmir, deeply resent the existing political status quo, beseech a life devoid of violence and militarization and would favor a political future guided by their centuries-old ethos of Kashmiriyat.

d) That a large majority of the population in the districts of Kathua, Samba, Jammu, Udhampur, Leh and some parts of Reasi and Ramban districts espouse a political aspiration rooted in the constitutional framework of India.

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[92] The Tashkent Declaration was a peace agreement between India and Pakistan signed on 10 January 1966 following Indo-Pakistani War of 1965 over Kashmir.
[93] The Simla Agreement (or Shimla Agreement) was signed between the then President of Pakistan Zulfiqar Ali Bhutto and Prime Minister of India Indira Gandhi on 2 July 1972 in the Himalayan mountain resort of Shimla, the capital city of Indian state of Himachal Pradesh.
[94] Pakistan Prime Minister Yousaf Raza Gilani and his Indian counterpart Prime Minister Manmohan Singh met on the sidelines of 15th Non-Aligned Movement (NAM) summit in the Egyptian Red Sea resort of Sharm el-Sheikh on July 16, 2009.
[95] The Lahore Declaration, signed by the Prime Ministers of India and Pakistan on 21 February 1999, reaffirms India and Pakistan's commitment to find a peaceful resolution to the issue of Jammu and Kashmir.
[96] The Agra Summit was a historic two-day summit meeting Pervez Musharraf, the then President of Pakistan and Atal Bihari Vajpayee, the then Prime Minister of India which lasted from 14–16 July 2001. Organized with the aim of resolving long-standing issues between India and Pakistan, mainly Kashmir, the summit collapsed and the draft treaty was never signed.

e) That a large majority of the population of the Gilgit-Baltistan region favor being completely merged with the state of Pakistan as a full-fledged province, accompanied with due constitutional and political safeguards, as enshrined in the Constitution of Pakistan for the provinces of that country.

The *Kashmir Haven of Peace Accord* will eventually pave the way towards the creation of Transitional Administrative Territories (TATs), leading to the reunification of Indian and Pakistani administered parts of Kashmir and the eventual creation of a sovereign, independent state of United Kashmir. By virtue of the accord India and Pakistan shall commit to:

i) Leaving the unpleasant past behind and embarking on a new journey of cooperation, reconciliation, peace and friendship in the interests of the 1.4 billion peoples of the two countries.

ii) Creating political conditions in their respective countries for the necessary constitutional amendments towards establishing a legal framework for operationalizing the *Kashmir Haven of Peace Accord.*

iii) Creating the *Mediation and Facilitation Group*, comprising of internationally-recognised neutral and credible individuals who will facilitate the Kashmir Comprehensive Political Reconciliation Process, mediate between various political formations of divergent political ideologies across the Line of Control (LoC) and facilitate a dialogue.

iv) Facilitating and supporting the process of amendments to the constitution of Jammu & Kashmir and Azad Jammu & Kashmir Interim Constitution Order 1974.

v) Make a formal request to the United Nations about a special session of the Security Council for a formal withdrawal of the United Nations Security Council Resolution 47, adopted on April 21, 1948, concerning the resolution of the Kashmir conflict, calling for a plebiscite.

vi) Agree on the notification of the Transitional Administrative Territories (TATs), including the elections for the formation of Transitional Administrative Governments (TAGs) for the 15-year Transitional Administrative Period (TAP).

vii) Commit to a multi-stage Demilitarisation and Security Transformation Process on both sides of the Line of Control.

viii) Establishing a joint India-Kashmir-Pakistan (INKPA) Commission for Investigation and Closure of the Cases of the Disappeared People.

ix) Achieving durable and dignified settlement of all other issues of contention/disagreement, including the nature of the political system in Afghanistan, without jeopardising peace and stability of any of the two countries.

x) Proactively cooperating in eliminating terrorism, religious extremism and violence targeted at religious minorities through information and intelligence sharing, real time preventive actions.

xi) Not allowing any of the two countries' territories to be used for aiding and abetting terrorism against each other, including organized crime used by political groups/parties as a means to achieving political goals.

xii) Request the extension and revision of the mandate of the UN Military Observers Group in India and Pakistan (UNMOGIP) to:

- *Oversee the implementation and consolidation process of the HoPe Accord for a period of fifteen years with effect from the date of notification of the Transitional Administrative Period (TAP).*
- *Assume the responsibility of overseeing the disarmament and general amnesty process across Kashmir.*
- *Oversee the demilitarization and security transformation process in both Indian and Pakistan-administered parts of Kashmir, as agreed in the Kashmir HoPe Accord, during the Transitional Administration Period (TAP).*
- *Facilitate safe and dignified return of all the bonafide state subjects of the erstwhile Princely State of Jammu & Kashmir who live in other countries as refugees, asylum seekers and Internally Displaced People (IDPs), to any TAT of their choice, irrespective of their political and religious beliefs, including the Kashmiri Pandits.*
- *Provide security and logistics support to the governments of India and Pakistan in the smooth and safe conduct of elections for the Transitional Administrative Territories (TATs).*
- *Oversee the border de-notification and the implementation of the trilateral Border Security Cooperation Mechanism (BOSCOM) between India, Kashmir, Pakistan (INKPA)*[97] *countries.*
- *Support, oversee and confirm the demining process along the existing Line of Control.*

Specifically, India and Pakistan shall agree on the following:

The erstwhile state of Jammu & Kashmir shall be re-organised and re-designated as four distinct Transitional Administrative Territories (TATs) comprising of -

- **Gilgit-Baltistan region**, involving the districts of *Shigar, Kharmang, Skardu, Ghizer, Hunza, Nagar, Astore, Ghanche, Diamer and Gilgit.*

- **Pakistan-administered Jammu & Kashmir (PAJK)**, involving the districts of *Mirpur, Kotli, Bhimber, Muzaffarabad, Hattian, Neelam, Poonch, Haveli, Bagh and Sudhanoti.*

- **Indian-administered Kashmir division,** excluding Leh district, and including the districts of Kargil, Doda, Kishtwar, Bhaderwah, Rajouri, Poonch, Ramban (partly), Reasi (partly) presently falling within the administrative jurisdiction of Jammu division. *(This territory shall include the district of Kargil including its three tehsils of Kargil, Sanku and Zanskar)*

[97] *This chronological reference to the three countries shall be the standard format of reference to the three entities in the future documentation.*

- **Indian-administered Jammu region,** comprising of the districts of Kathua, Samba, Udhampur, Reasi (with areas falling south and east of River Chenab, and including Reasi town, Vaishno Devi, Katra and Jyotipuram), Ramban (with areas of Batli, Salaria Mohalla and Khanga falling south of Chenab River) and Jammu (its northerly extent not to extend beyond 32°45'01.6"N 74°32'20.2"E at the entrance of the Chenab river into the territory of Pakistan[98].

After the signing of the Accord,

- Existing administrative governments in Indian-administered Jammu & Kashmir and Pakistan-administered Jammu Kashmir shall be are dissolved.
- Caretaker Prime Minister/President in Pakistan-administered Jammu Kashmir and caretaker Chief Minister and Governor in Indian-administered Jammu & Kashmir shall be designated to look after the governments until the conduct of new elections.
- Governments of India and Pakistan designate 15-year Transitional Administrative Period (TAP).
- Five Transitional Administrative Territories (TATs) shall be notified.
- Governments of India and Pakistan approach the UN for the enlargement of UNMOGIP mandate.

The formation of the TATs shall be followed by elections to the Assemblies of the TATs and formation of Transitional Administrative Governments (TAGs). A detailed proposed process for the formation of TATs, demilitarization and security transformation shall be discussed in the succeeding chapters.

[98] *This reorganization of territory shall exclude the areas of Tanda, Jhourian, Rakh Malal and Manwar, falling north of Chenab River with the territory of Kashmir.*

Step 7

Establishment of Transitional Administrative Territories (TATs)

There shall be a Transitional Administration Period (TAP) spanning a period of fifteen years, effective from a date as agreed in the *Kashmir HoPe Accord*, signed between India and Pakistan, stipulating autonomous status to Indian Administered Kashmir Transitional Administrative Territory (Kashmir-TAT) [99] and political autonomy of equal measure for the Pakistani Administered Kashmir Transitional Administrative Territory (PAK-TAT)[100], until the end date of the Transitional Administrative Period (TAP).

The Transitional Administration Period (TAP) shall come into effect following both India and Pakistan effecting the necessary constitutional amendments for implementing the commitments made in the *Kashmir HoPe Accord* with regard to the autonomous status of TATs. The union/federal constitutional amendment process shall be accompanied by a process of amendments in the Constitution of Indian-administered Jammu & Kashmir and the Azad Jammu Kashmir Interim Constitution Act of 1974, allowing the formation of Transitional Administrative Territories (TATs), including a new scheme of powers for their Assemblies, heads of governments and the council of ministers for the specific period of the Transitional Administrative Period (TAP).

Formation of Transitional Administrative Territories (TATs)

In pursuance of the *Kashmir HoPe Accord*, India and Pakistan shall issue formal notifications for the formation of four Transitional Administration Territories (TATs) within their administered parts, including the necessary constitutional amendments related to the nature, scope and the competence of the Autonomous Assemblies and the respective transitional governments consisting of the following territories:

a) Kashmir Transitional Administrative Territory (Kashmir-TAT)

This territory shall comprise of the 17 districts of Anantnag (Islamabad), Badgam, Bandipora, Baramula, Doda, Ganderbal, Kargil, Kishtwar, Kulgam, Kupwara, Pulwama, Punch, Rajouri, Ramban (partly), Reasi (partly), Shupiyan and Srinagar.

b) Pakistan Administered Kashmir Transitional Administrative Territory (PAK-TAT)

This territory on the Pakistani-administered side of Kashmir shall comprise of Mirpur, Kotli, Bhimber, Muzaffarabad, Hattian, Neelam, Poonch, Haveli, Bagh and Sudhanoti districts.

c) Jammu Transitional Administrative Territory (Jammu-TAT)

This territory shall comprise of Kathua, Samba, Udhampur, Reasi (with areas falling south and east of River Chenab, and including Reasi town, Vaishno Devi, Katra and Jyotipuram), Ramban (with areas of Batli, Salaria Mohalla and Khanga falling south of Chenab River) and Jammu (its northerly extent not to extend beyond 32°45'01.6"N 74°32'20.2"E (approximately) at the entrance of the Chenab river in Akhnoor into the territory of Pakistan[101].

d) Ladakh Transitional Administrative Territory (Ladakh-TAT)

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[99] *A territory comprising of Anantnag (Islamabad), Badgam, Bandipora, Baramula, Doda, Ganderbal, Kargil, Kishtwar, Kulgam, Kupwara, Pulwama, Punch, Rajouri, Ramban (partly), Reasi (partly), Shupiyan and Srinagar.*

[100] *A territory comprising of Mirpur, Kotli, Bhimber, Muzaffarabad, Hattian, Neelam, Poonch, Haveli, Bagh and Sudhanoti districts.*

[101] *This reorganization of territory shall exclude the areas of Tanda, Jhourian, Rakh Malal and Manwar, falling north of Chenab River with the territory of Kashmir.*

This territory shall comprise of the entire existing Leh district.

e) Gilgit-Baltistan Transitional Administrative Territory (Gilba-TAT)

This will consist of Baltistan, Diamer and Gilgit divisions, including the districts of Shigar, Kharmang, Skardu, Ghizer, Hunza, Nagar, Astore, Ghanche, Diamer and Gilgit.

Demographic make-up of Transitional Administrative Territories

Kashmir Transitional Administration Territory (Kash-TAT)

S NO	District	Population (2011)	Literacy	Area (km^2)
1	Anantnag	1078692	62.69	2853
2	Badgam	753745	56.08	1406
3	Bandipora	392232	56.28	3010
4	Baramula	1008039	64.63	3329
5	Doda	409936	64.68	11691
6	Ganderbal	297446	58.04	258
7	Kargil	140802	71.34	14036
8	Kishtwar	230696	56.2	1848
9	Kulgam	424483	59.23	457
10	Kupwara	870354	64.51	2379
11	Pulwama	560440	63.48	1398
12	Punch	476835	66.74	1674
13	Rajouri	642415	68.17	2630
14	Ramban[102]	283713	54.27	1330
15	Reasi[103]	314667	58.15	1710
16	Shupiyan	266215	60.76	312
17	Srinagar	1236829	69.41	2228

[102] The actual population of this district falling within Kashmir's T-PAT shall be determined by the T-PAT Delineation Commission, that will determine the territory to eventually become part of the independent state of Kashmir from Ramban district.
[103] The actual population of this district falling within Kashmir's T-PAT shall be determined by the T-PAT Delineation Commission, that will determine the territory to eventually become part of the independent state of Kashmir from Reasi district.

PAK Transitional Administrative Territory (PAK-TAT)

S. No.	District	Population	Area (sq. km)
1.	Mirpur	754,482	2,310
2.	Kotli	834,094	2,162
3.	Bhimber	301,633	1,516
4.	Muzaffarabad	638,973	2,496
5.	Hattian	251,000	854
6.	Neelam	106,778	3,621
7.	Poonch	411,035	855
8.	Haveli	150,000	600
9.	Bagh	351,415	768
10.	Sudhanoti	204,091	569

Jammu Transitional Administration Territory (Jam-TAT)

A Transitional Political and Administration Territory, comprising of Jammu, Udhampur, Sambha and Kathua shall be formed:

Sr. No.	District	Population (2011)	Literacy	Area (km2)	Population Density (/km2)
1	Jammu	1529958	83.45	3097	596
2	Udhampur	554985	68.49	4550	211
3	Samba	318898	81.41	913	318
4	Leh	133487	77.2	45110	3
5	Kathua	616435	73.09	2651	232

Gilgit-Baltistan (Gilba) Transitional Administration Territory (TAT)

Division	District	Area (km²)	Capital	Population (2013)[67]	Divisional Capital
	Shigar	8,500	Shigar		
	Kharmang	5,500	Kharmang		
	Skardu	8,700	Skardu	305,000	
	Ghizer	9,635	Gahkuch	190,000	
	Hunza	7,900	Aliabad	70,000	
	Nagar	5,000	Nagar	51,387	
	Astore	5,092	Eidghah	114,000	
Baltistan	Ghanche	4,052	Khaplu	108,000	Skardu
Diamer	Diamer	10,936	Chilas	214,000	----
Gilgit	Gilgit	14,672	Gilgit	222,000	Gilgit

Ladakh Transitional Administration Territory (Ladakh-TAT)

Sr. No.	District	Population (2011)	Literacy	Area (km2)	Population Density (/km2)
1	Leh	133487	77.2	45110	3

Step 8

Stage 1 of Multi-Stage Demilitarization and Security Transformation Process

Stage 1 of Multi-Stage Demilitarization and Security Transformation Process

Following the completion of the by Disarmament, General Amnesty and Social Reconciliation (DISGASOR), withdrawal of Indian military and para-military forces not directly related with the security management along the Line of Control (LoC)/International Border from the 17 districts of Kashmir TAT namely *Anantnag, Badgam, Bandipora, Baramula, Doda, Ganderbal, Kargil, Kishtwar, Kulgam, Kupwara, Pulwama, Punch, Rajouri, Ramban*[104] *(the part territory as agreed in the Kashmiriyat Accord), Reasi*[105] *(the part territory as agreed in the Kashmir HoPe Accord), Shupiyan, Srinagar* shall mark the beginning of the comprehensive demilitarization and security transformation process.

There shall also be simultaneous withdrawal of Pakistani military and para-military forces not directly related with the security management along the Line of Control (LoC)/International Border from the *Mirpur, Kotli, Bhimber and Muzaffarabad* in Pakistan-administered Kashmir.

The districts in the Jammu TAT where the military/para-military forces deployment shall remain unchanged or relocated, based on the discretion of the government of India, are Kathua, Samba, Udhampur, Reasi (with areas falling south and east of River Chenab, and including Reasi town, Vaishno Devi, Katra and Jyotipuram), Ramban (with areas of Batli, Salaria Mohalla and Khanga falling south of Chenab River), Jammu (its northerly extent not to extend beyond 32°45'01.6"N 74°32'20.2"E) at the entrance of the Chenab river into the territory of Pakistan[106] and Leh district.

The districts in the Pakistan-administered Kashmir region where the military/para-military forces deployment shall remain unchanged or re-organised, based on the discretion of the government of Pakistan, are Shigar, Kharmang, Skardu, Ghizer, Hunza, Nagar, Astore, Ghanche, Diamer and Gilgit.

Peace and Security Transformation Process in TATs

This process shall involve the existing Jammu & Kashmir Police and Azad Jammu & Kashmir Police assuming full responsibilities for internal peace, security and the maintenance of law & order in Kashmir TAT and Azad Kashmir TAT. This process shall start simultaneously with the withdrawal of the Indian and Pakistani military and para-military forces from civilian areas in these two territories.

Resettlement Process of Kashmiri Pandits

The idea of Kashmir as a Haven of Peace (HoPe) will be incomplete without Kashmiri Pandits. An overwhelming majority of this estimated 400,000 minority community had to migrate from Kashmir in 1990s in very unfortunate circumstances at the peak of armed insurgency and counter insurgency. Well-educated and globally mobile; safe and dignified return of the Kashmiri Pandit community shall be an agenda of prime importance for the Transitional Administrative Government (TAG) in Kashmir. The resettlement process of Kashmiri Pandits shall include:

a) Establishment of a temporary Department of Pandit Resettlement to facilitate easy and hassle-free acquisition of abandoned properties by the returnees

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[104] The actual population of this district falling within Kashmir's TAT shall be the determined on the basis of geographical delineation of the district along the Chenab River between Ramban and Banihal tehsils, with consideration to the areas of Batli, Salaria Mohalla and Khanga falling south of Chenab River that shall form part of the Jammu TAT.

[105] The actual population of this district falling within Kashmir's TAT shall be the determined on the basis of geographical delineation of the district along the Chenab River between Gool Gulabgah and Reasi tehsils, with consideration to the areas falling south and east of River Chenab, and including Reasi town, Vaishno Devi, Katra and Jyotipuram that shall form part of the Jammu TAT.

[106] This reorganization of territory shall exclude the areas of Tanda, Jhourian, Rakh Malal and Manwar, falling north of Chenab River with the territory of Kashmir.

b) Purchase of property, including housing, of their choice in any location/part of Kashmir TAT.

c) Amendment of building construction laws to ensure that the returned communities are able to construct society-based multi-storey residential buildings in the traditionally-inhabited areas of Kashmiri Pandits in both urban and rural areas.

d) 20 % reservation in the purchase of state land vacated by army/para-military forces, including prime urban real estate locations of Tatto Ground, Bemina, Srinagar; Rangreth Old Airport, Militia Grounds, Magarmal Bagh, Srinagar; Shariefabad, Badami Bagh, Srinagar; Khanmoh Zewan belt and so on.

e) Restoration of possession of the properties abandoned which have remained in dilapidated condition for a long period of time.

f) Establishment of Pandit Religious Places Control and Maintenance Trust to ensure speedy possession, restoration and maintenance of all the places of Pandit worship abandoned in 1990s.

g) Restoration of Pandit educational institutions with possession be facilitated to the rightful owners of the properties before the migration period.

h) Equal right to investment in businesses, particularly in niche areas like information technology and communications, medicine, engineering, bio-technology, value-added manufacturing and institutions of excellence in higher education.

Resettlement Process of other Kashmiri Refugees, Migrants and Asylum Seekers

There are tens of thousands of Kashmiris[107] who have taken refuge and asylum in the post 1947 period in various countries across the globe, including Pakistan. These communities shall have a right to dignified and safe return to Kashmir TAT or any of the other four TATs.

The resettlement process of other Kashmiri Refugees and Asylum Seekers shall include:

a) Purchase of property, including housing, of their choice in any location/part of Kashmir.

b) Amendment of building construction laws to ensure that the returned communities are able to construct society-based multi-storey residential buildings in any part of Kashmir.

c) 20 % reservation in the purchase of state land vacated by army/para-military forces, including prime urban real estate locations of Tatto Ground, Bemina, Srinagar; Rangreth Old Airport, Militia Grounds, Magarmal Bagh, Srinagar; Shariefabad, Badami Bagh, Srinagar; Khanmoh Zewan belt and so on.

d) Restoration of possession of the properties abandoned which have remained in dilapidated condition for a long period of time.

[107] *No credible data exists as to determine the exact number of Kashmiri refugees and asylum seekers in other countries.*

e) Equal right to investment in businesses, particularly in niche areas like information technology and communications, medicine, engineering, bio-technology, value-added manufacturing and institutions of excellence in higher education.

Formation of Transitional Assemblies and Transitional Administrative Governments (TAGs)

All the five Transitional Administrative Territories (TATs) shall have transitional assemblies and governments in place that, besides providing routine administrative services in their respective areas shall also be mandated to undertake critical preparatory tasks for the post transition period.

Elections for Kashmir TAT and AJK TAT shall be conducted under the auspices of a Joint Election Commission with membership from the Election Commissions of India and Pakistan, besides four members, preferably former judges of the High Courts (two each), from the Kashmir TAT and AJK TAT. This election process shall be monitored by the UNMOGIP as part of their enlarged mandate to facilitate the transition period in all the territories of Jammu & Kashmir.

Elections to the Jammu TAT, Ladakh TAT and Gilgit-Baltistan TAT shall be conducted normally under the auspecies of the Election Commission of India and the Election Commission of Pakistan respectively in a free, fair and transparent manner.

The political parties from Kashmir TAT and AJK TAT desirous of participating in these elections shall have to register themselves with the Joint Election Commission. The tenure of the Assemblies and governments so elected shall be four years, followed by two more elections, before the eventual reunification of Kashmir TAT and AJK TAT and the end of the transitional period. The 15-year transitional period, which will see three elected assemblies/governments, shall be designed to consolidate and strengthen democratic system in both parts of Kashmir, before the eventual reunification. In order to make a credible democratic system to take roots in Kashmir, no political party shall be eligible to choose any family member of the ruling political party as head of the successive head of the government. A family member of the ruling political party shall only be eligible to run for the position of the head of the government only in alternate elections.

There shall also be a joint session of the Kashmir TAT and AJK TAT once every year, to be held in Srinagar and Muzaffarabad on a rotational basis, to review the progress of the TAP mandate.

Transitional Administrative Governments (TAGs) in Kashmir and Azad Jammu & Kashmir so elected shall have the following primary mandate for the 15-year period:

a) Provide routine day-to-day governance
b) Drafting and finalisation of the new constitution
c) Economic Transformation Process, including tax and revenue collection system restructuring and financial restructuring
d) Completion of the work of the Boundary Determination Commission
e) Citizenship Determination Process (CDP)
f) Restructuring of the Jammu & Kashmir High Court and Azad Kashmir High Court, excluding the Jammu, Ladakh and Gilgit-Baltistan areas from their jurisdiction and transformation into single Supreme Court of Kashmir and gradual withdrawal of jurisdiction of the Supreme Court of India and Supreme Court of Pakistan.

g) Restructuring of the Doordarshan, Radio Kashmir, Postal Department, Bharat Sanchar Nigam Limited (BSNL) and other communications departments/services in Indian-administered Kashmir
h) Restructuring of Radio Pakistan, Pakistan Television (PTV) and other communications departments of government of Pakistan in Azad Jammu Kashmir and other private services
i) Facilitate and oversee resettlement of returnee state subjects and state property exchange process between Azad Jammu Kashmir and Gilgit-Baltistan at one level and Kashmir TAT, Leh TAT and Jammu TAT at the other level.
j) Banking services restructuring process for facilitating complete nationalization of Jammu & Kashmir Bank, its take-over of Reserve Bank of India and Reserve Bank of Pakistan functions and status transformation of the Indian and Pakistani banks operating within Kashmir TAT and AJK TAT

k) Acquisition and transformation of centrally/federally-administered or run institutions like:
- Indian Railways
- Airports Authority of India
- Bharatiya Sanchar Nigam Limited
- National Institute of Technology
- Central Institute for Temperate Horticulture (CITH), Budgam
- Jawahar Institute of Mountaineering and Winter Sports
- Magentic Observatory Gulmarg High Altitude Research Laboratory, BARC campus, Gulmarg
- Bhabha Atomic Research Centre, Zukura Naseem Bagh
- Nationalisation of J K Mineral Development Corporation Limited from National Mineral Development Corporation
- Pakistani federal departments/agencies in Pak-administered Kashmir
- Any other government of India and government of Pakistan undertakings in AJK TAT and Kashmir TAT territories

Step 9

Boundary Determination and other Key Initiatives Commence

For the exact determination of the borders between Kashmir Haven of Peace (HoPe) territory and the territories of India and Pakistan, two Boundary Determination Commissions (BDCs) shall be established namely:

- **Pakistan-Kashmir Boundary Determination Commission (BDC)**
- **Indo-Kashmir Boundary Determination Commission (BDC)**

The broad Terms of Reference (ToR) of the Pakistan-Kashmir Boundary Determination Commission (BDC) shall be the determination of:

a) The exact boundary demarcation between Kashmir Haven of Peace (HoPe) territories of Muzaffarbad, Bagh, Poonch, Sudhnutti, Kotli, Pirpur and Bhimber and the state of Pakistan along the international boundary after the re-unification of Indian-administered Kashmir and Pakistan-administered Kashmir and the Line of Control (LoC) ceases to exist.

b) The precise boundary between Kashmir's Muzaffarbad territory and Astore area of Pakistan.

c) The precise boundary between Kashmir's Muzaffarbad territory and Skardu area of Pakistan.

d) The precise boundary determination along the Mangla Dam Lake, ensuring that the terms of the Indus Waters Treaty are not violated in any manner and that Pakistan's operational control and management remains unaffected over the Mangla Dam.

e) The limits of Kashmir Haven of Peace (HoPe) territory bordering Gilgit and Baltistan, after the re-unification of Indian-administered Kashmir and Pakistan-administered Kashmir and after the Line of Control (LoC) ceases to exist.

The broad Terms of Reference (ToR) of the Indo-Kashmir Boundary Determination Commission (BDC) shall be the determination of:

a) In Ramban district, the exact boundary determination along the Chenab River between Ramban and Banihal tehsils, with consideration to the areas of Batli, Salaria Mohalla and Khanga falling south of Chenab River that shall form part of the Jammu region to remain part of the Indian territory.

b) In the Reasi district, the boundary determination along the Chenab River between Gool Gulabgah and Reasi tehsils, with consideration to the areas falling south and east of River Chenab, and including Reasi town, Vaishno Devi, Katra and Jyotipuram, that shall form part of the Jammu region to remain part of the Indian territory.

c) The exact end point of Kashmir's territory in Reasi district along the Chenab River.

d) The precise division of territory and border determination along the Chenab River from Ramgarh-Galali to Tagwal Pindi Border, with the assumption that all areas north of the Chenab falling in Akhnoor area will be part of Kashmir Haven of Peace territory.

e) The exact border along the Chenab River bifurcating Jammu and Akhnoor areas and the status of Sarwal, Gurah Manhasan, Gawar Hamirpur, Chek Sikander, Seetriala, Khundpur, Barda Kalan, Lahrian, Dub, Bhatiare, Chak Singha, Jammu Akhnoor Highway areas.

f) The precise boundary points between Kashmir's Kargil territory and India's Leh districts.

g) The precise demarcation of boundary of Kashmir's Kargil territory with the Indian state of Himachal Pradesh.

h) The precise demarcation of boundary of Kashmir's Kishtwar territory with the Indian state of Himachal Pradesh.

i) The precise demarcation of boundary of Kashmir's Doda territory with Udhampur and Kathua territories of India and the Indian state of Himachal Pradesh.

Citizenship Determination Process (CDP)

Over the last many decades, a large number of the original state subjects of Jammu & Kashmir[108] state, belonging to diverse ethnic and religious communities, have migrated and settled in different parts of the world. This segment of the population, irrespective of their pre-TAP political beliefs and affiliations shall have a right to citizenship of Kashmir HoPe. All such people living in other countries, including those holding Indian and Pakistani passports, will have a right to safe and dignified return to the new state of Kashmir.

The transitional period shall provide the necessary time to complete the formalities of voluntary migration for all those people who wish to relocate within the erstwhile Princely state of Jammu & Kashmir, migrate from India or Pakistan to Kashmir HoPe territory for adopting its citizenship in a dignified, peaceful and organized manner. All state subjects of the erstwhile princely state of Jammu & Kashmir – irrespective of their religious, linguistic or ethnic identities - shall have the right to choose the territory they wish to live in permanently. State subjects shall also be free to decide whether to live permanently within the new HoPe territory of Kashmir, move to Pakistan, India or the territories of Gilgit-Baltistan, Ladakh, Jammu. This will include Kashmiri Diaspora across the globe, including the large Kashmiri Mirpur-origin Diaspora of Pakistan-administered Kashmir. **This organized process will be designed in order not to repeat the painful, violent and chaotic migration of people that accompanied the partition of the Indian subcontinent in 1947.**

Private Property Disposal/Acquisition Process

All the state subjects of Jammu & Kashmir who would wish to relocate to other TAT shall be free in conducting sale and purchase of their residential, business and agrarian properties as per the existing laws in accordance with the market price of the properties. There shall be no distress sale of properties, and individuals/families/businesses shall be free to sell/acquire properties before the comprehensive demilitarization and security transformation process shall come into effect. This would apply to all areas, including the areas of Reasi, Ramban, Kishtwar and Bharda Kalan, Jhorian, Geeta Colony, Tanda etc. in Jammu.

[108] *There is no database available as to know the exact number of those who have migrated from Kashmir.*

State Property Determination Commission

A State Property Determination Commission shall be established within the existing Revenue Department with jurisdiction across Kashmir TAT, Jammu TAT, Ladakh TAT to determine the status of the state lands/properties given on lease to individuals/families/businesses who chose to relocate across all the territories. This commission shall also conduct exchange of state properties, including that belonging to Public Sector Undertakings (PSUs), across all the TATs in accordance with the spirit of the final settlement.

Banking Services Restructuring Process

During the Transitional Administrative Period (TAP) a restructuring process of banking services across Jammu & Kashmir shall be initiated, with the following key elements:

a) All the banking institutions operating on both the sides of Line of Control (LoC) in Jammu & Kashmir, including Indian and Pakistani state and private banks shall operate normally during the 15-year transitional period. The scope and the terms of business of Indian and Pakistani banks in Kashmir HoPe territory shall be determined in the joint sittings of the PAK and Kashmir Assemblies and the banks' own business assessment exercises during the Transitional Administrative Period (TAP).

b) Jammu & Kashmir Bank's status as a quasi-state bank shall be reinforced, with the extension of its banking operations in AJK TAT. The bank's lending and banker-of-first-choice role to the state shall be reviewed and strengthened by the Joint Assembly, including its transformation as the Central Bank of Kashmir (CBK).

Indo-Kashmir Stressed and Non-Performing Assets Settlement Agreement

In view of the circa Rs 16,000 being categorized as non-performing assets (NPAs) that is owed by individual/corporate from various parts of India[109], the governments of Kashmir TAT and government of India shall enter into an agreement for an amicable settlement of the dues to Jammu & Kashmir Bank, which shall be called as Indo-Kashmir Stressed and Non-Performing Assets Settlement Agreement. This agreement shall also cover the issues of outstanding loans of Indian banks in Kashmir TAT, including the outstanding loans from its state subjects. A similar agreement shall be entered between the government of Pakistan and the government of PAK-TAT for the recovery/settlement of outstanding loans.

Citizens of AJK and Kashmir TATs shall be free to transfer their savings from one bank to another. In the transition period, citizens shall be encouraged to transfer their savings to J&K Bank and shall have the option to choose other banks after the Transitional Administration Period (TAP) is over.

Supreme Joint Session of the elected Transitional Assemblies of the Transitional Administrative Territories

A supreme Joint Session of the elected Transitional Assemblies shall be held in Srinagar at an appropriate time for effecting and ratifying the changes in the Constitution of Jammu & Kashmir, 1954 and the Interim Constitution Act of Azad Jammu & Kashmir, 1974[110]. This session shall be

[109] In October 2016, the newly-appointed chairman of Jammu & Kashmir Bank, Mushtaq Ahmed, addressed a press conference in Srinagar, and divulged that about Rs 16,000 crore were owed to the bank by Indian borrowers from outside Jammu & Kashmir state.
[110] This session shall be other than the annual joint session of the Transitional Assemblies of PAK-TAT and Kashmir TAT.

the first step towards the amalgamation, amendment and re-drafting of the existing constitutions of Azad Jammu & Kashmir and Jammu & Kashmir.

This step shall be consistent with that the commencement of the Constitution (Application to Jammu and Kashmir) Order, 1954[111], whereby no decision affecting the disposition of the State of Jammu and Kashmir shall be made by the Government of India without the consent of the Government of that State, so, according to the Constitution of India, Government of India cannot cede the State of Jammu and Kashmir without the consent of the Government of Jammu and Kashmir.

[111] *4 C.O. 48, published with the Ministry of Law Notification No. S.R.O. 1610, dated the 14th May, 1954.*

Step 10

Final stages of Transitional Administrative Period (TAP)

Multi-Stage Demilitarization and Security Transformation Process

In recognition of the enormity of the military infrastructure India and Pakistan have along with Line of Control (LoC) and the scale of a logistical operation required for safe and organized withdrawal and relocation of military men and material, the demilitarization and security transformation process shall be conducted in several stages. Considering the climatic and topographic conditions of the area, the time period between preceding and succeeding stages shall be six months. UNMOGIP shall be responsible for monitoring the entire process. The demilitarization and security transformation process shall include the following stages:

Stage 1:

This stage, as explained in the preceding sections, shall involve withdrawal of military/para-military forces from all civilian areas in Kashmir TAT and Azad Kashmir TAT, and the local police assuming the role of policing soon after the formation of TAPs. Additionally, the Jammu & Kashmir Armed Police (JKAP) shall be transformed into Kashmir Border Peace Corps (BPC), who will be responsible for manning the entry/exit border roads, railway lines with Jammu, Leh, Gilgit-Baltistan provinces, including the international border with Pakistan. Kashmir Border Peace Corps (BPC) shall over time assume the greater role under the Border Security Cooperation Mechanism (BOSCOM).

The governments of Kashmir TAT and PAK-TAT shall take possession of the lands/properties so vacated by Indian and Pakistani military and para-military forces. Some of these lands shall be reserved for the return of Kashmiri Pandits and other Kashmiri refugees, migrants and asylum seekers.

Stage 2:

a) Withdrawal and re-deployment of military forces by India and Pakistan from the Line of Control (from the point of the start of the international border at Kot Maira in Jammu province up to a logistically feasible point in Poonch.)

b) The withdrawn forces of India shall be redeployed south of the Chenab river along the axis that will be determined as the final boundary between India and Kashmir as determined by the Border Determination Commission.

c) Similarly, the withdrawn forces of Pakistan shall be redeployed from point Kot Maira along the axis of the original border of erstwhile princely state of Jammu & Kashmir following the Bhusa, Burejal, Taho, Bhimber, Jatlan, Mangla Lake Dam, Pallal Mallahan, Barohi axis. The exact redeployment of Pakistani forces shall follow the axis as determined by the Border Determination Commission.

d) Pakistan will assume the responsibility of safeguarding the new border with Kashmir as determined by the conditions stipulated in the Border Security Cooperation Mechanism (BOSCOM).

e) Similarly, India will simultaneously assume responsibility for safeguarding the new border with Kashmir along the southern Chenab river axis.

f) The military forces ahead of the Poonch point along the Line of Control (LoC) northwards shall remain unaffected until the start of the Stage 3 military withdrawal and redeployment process. This process shall be monitored by the United Nations Military Observers Group in India and Pakistan (UNMOGIP).

g) Simultaneously, the Poonch-Barohi axis left open between the time span of the Stage 2 and Stage 3 process shall be manned by the UNMOGIP.

Stage 3:

In the stage 3 of withdrawal and re-deployment of military forces by India and Pakistan, both the countries shall withdraw their forces from Poonch up to Keran sector. The exact point shall be determined based on logistical feasibility, as agreed by the operational military commanders of the two countries. At this stage until the start of Stage 4 the open axis between Keran and Saif-ul-Maluk National Park in Pakistan shall be manned by the UNMOGIP.

Stage 4:

During this stage, India and Pakistan shall withdraw their military forces from Keran to Malangam, north of Sonamarg up to a point which roughly corresponds to 34.646743, 75.207757.

Stage 5:

The final stage of troop withdrawal and relocation shall involve India and Pakistan withdrawing their troops from Malangam (Sonamarg axis) up to the last geographical point of the Line of Control (LoC) in the Kargil district. Pakistan shall relocate those forces northwards to form the boundary between Kashmir and Gilgit-Baltistan region of Pakistan. Similarly, India shall be free to relocate the forces so withdrawn to form the new border between Kashmir and its Ladakh region along the borders of Kargil district with the existing Leh district.

Border Security Cooperation Mechanism (BOSCOM)

Given its relatively small army, primarily meant for border security and control, Kashmir shall enter into bilateral agreements with India and Pakistan for an institutionalized mechanism for border security cooperation, which shall be known as *Border Security Cooperation Mechanism (BOSCOM)*. BOSCOM shall envisage that:

a) Both Indian and Pakistani border security agencies shall be responsible for ensuring border security and prevention of illegal cross border movement of people along their borders with United Kashmir HoPe territory.

b) Any citizen from India illegally crossing into the territory of Kashmir, without valid travel documents, and except for cases involving children and mistaken navigation, shall be dealt in accordance with the relevant laws of United Kashmir.

c) Any citizen from Pakistan illegally crossing into the territory of Kashmir, without valid travel documents, and except for cases involving children and mistaken navigation, shall be dealt in accordance with the relevant laws of United Kashmir.

d) Any citizen from United Kashmir illegally crossing into the territories of India or Pakistan, without valid travel documents, and except for cases involving children and mistaken

navigation shall be liable to be dealt in accordance with the relevant laws of the two countries.

e) Passing specific and reciprocal laws in INKPA countries related to unintentional and inadvertent border crossing that will stipulate specific jail terms/penalties and the terms of repatriation for the persons involved in illegal border crossing. Under no circumstances shall any person found guilty of unintentional or inadvertent border crossing be kept under detention for indefinite periods. Repatriation shall be a preferred option to long terms of detention in cases of inadvertent border crossing.

Indo-Kashmir Immigrant Workers' Travel/Residency Facilitation Agreement and Pakistan-Kashmir Immigrant Workers' Travel/Residency Facilitation Agreement

There are an estimated 200,000 Kashmiris from the Indian-administered part engaged in wage employment, education and various business activities throughout India. Similarly, there are an estimated 250,000 Indian workers engaged in formal or informal employment across Kashmir, particularly in the construction sector. On the other side of the LoC, there is a large number of Pakistan Administered Kashmir state subjects engaged in wage employment, education and various business activities throughout Pakistan. Several thousand Pakistani workers work in Pak-administered Kashmir as well. Conducive political and administrative conditions will have to be created on all the three sides to ensure that jobs, business and educational engagements of Indian, Pakistani and Kashmiri communities in India, Pakistan and Kashmir remain unaffected.

Towards that, the government of Kashmir TAT shall sign agreements with the governments of India and Pakistan which shall be referred to as Indo-Kashmir Immigrant Workers' Travel/Residency Facilitation Agreement and Pakistan-Kashmir Immigrant Workers' Travel/Residency Facilitation Agreement, which shall broadly stipulate reciprocal measures in the following areas:

a) **Employment status:** The employment status of Pakistani workers in PAK-TAT, Indian workers in Kashmir TAT and Kashmiri workers in both India and Pakistan shall remain unchanged both during the Transitional Administrative Period (TAP) and in the aftermath of the creation of Kashmir Haven of Peace (HoPe).

b) **Residency, work permits and visas:** During the final stage of the Transitional Administration Period (TAP); India and Kashmir shall facilitate residency, work permits and visas on a reciprocal basis for the citizens of other country. Pakistan and Kashmir shall agree on a similar arrangement.

c) **Safety and security of immigrants:** Governments of India, Kashmir and Pakistan shall be responsible for ensuring safety and security of each other's citizens and ensure no such actions are taken or utterances made that could whip up jingoistic or xenophobic sentiments, and undermine the process. All the three parties shall be committed that others' citizens in their territories are treated with dignity and due respect.

Step 11

Establishment of the *United Kashmir Haven of Peace State*

At the end of the 15-year Transitional Administrative Period, United Kashmir Haven of Peace entity shall come into existence with the full re-unification of the existing Pakistan-administered Kashmir and Indian-administered Kashmir.

The United Kashmir HoPe independent and sovereign state shall consist of the following districts of the present Indian and Pakistan administrative parts of Kashmir:

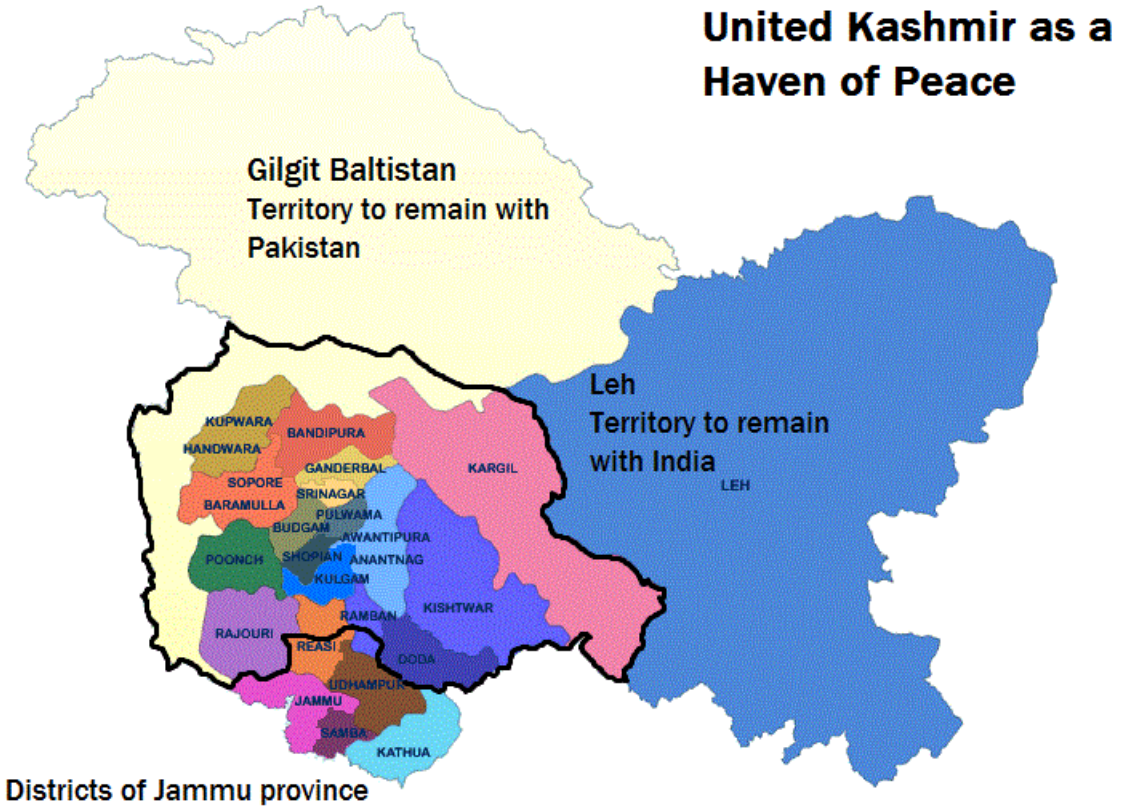
S NO	District	Population (2011)	Literacy	Area (km^2)	Population Density ($/km^2$)
1	Anantnag	1078692	62.69	2853	375
2	Badgam	753745	56.08	1406	537
3	Bandipora	392232	56.28	3010	1117
4	Baramula	1008039	64.63	3329	305
5	Doda	409936	64.68	11691	79
6	Ganderbal	297446	58.04	258	1151
7	Kargil	140802	71.34	14036	10
8	Kishtwar	230696	56.2	1848	125
9	Kulgam	424483	59.23	457	925
10	Kupwara	870354	64.51	2379	368
11	Pulwama	560440	63.48	1398	598
12	Punch	476835	66.74	1674	285
13	Rajouri	642415	68.17	2630	235
14	Ramban	283713	54.27	1330	213
15	Reasi	314667	58.15	1710	184
16	Shupiyan	266215	60.76	312	852
17	Srinagar	1236829	69.41	2228	703
18	Mirpur	754,482		2,310	
19	Kotli	834,094		2,162	
21	Bhimber	301,633		1,516	
22	Muzaffarabad	638,973		2,496	
23	Hattian	251,000		854	
24	Neelam	106,778		3,621	
25	Poonch	411,035		855	
26	Haveli	150,000		600	
27	Bagh	351,415		768	
28	Sudhanoti	204,091		569	
	Total	13391040		68300	

The districts that shall be fully merged with the union of India are:

Sr. No.	District	Population (2011)	Literacy	Area (km2)	Population Density (/km2)
1	Jammu	1529958	83.45	3097	596
2	Udhampur	554985	68.49	4550	211
3	Samba	318898	81.41	913	318
4	Leh	133487	77.2	45110	3
5	Kathua	616435	73.09	2651	232
	Total	3153763		56321	

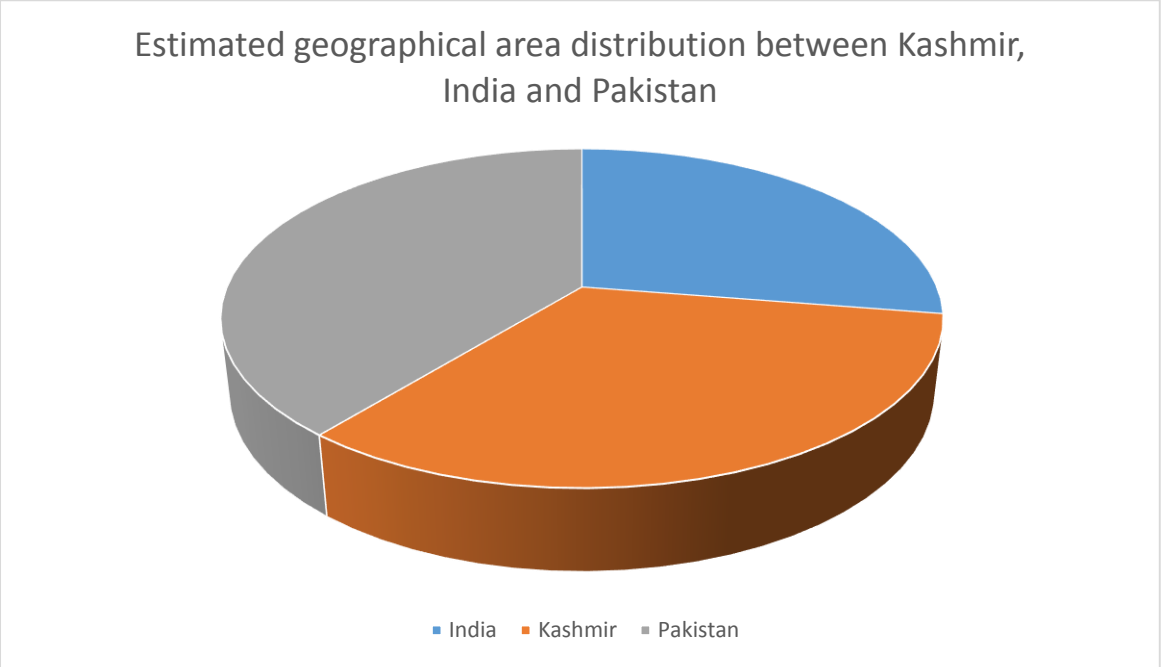
The districts that shall be fully merged with Pakistan are:

Division	District	Area (km²)	Capital	Population (2013)[67]	Divisional Capital
	Shigar	8,500	Shigar		
	Kharmang	5,500	Kharmang		
	Skardu	8,700	Skardu	305,000	
	Ghizer	9,635	Gahkuch	190,000	
	Hunza	7,900	Aliabad	70,000	
	Nagar	5,000	Nagar	51,387	
	Astore	5,092	Eidghah	114,000	
Baltistan	Ghanche	4,052	Khaplu	108,000	Skardu
Diamer	Diamer	10,936	Chilas	214,000	----
Gilgit	Gilgit	14,672	Gilgit	222,000	Gilgit
		79,987		1,274,387	

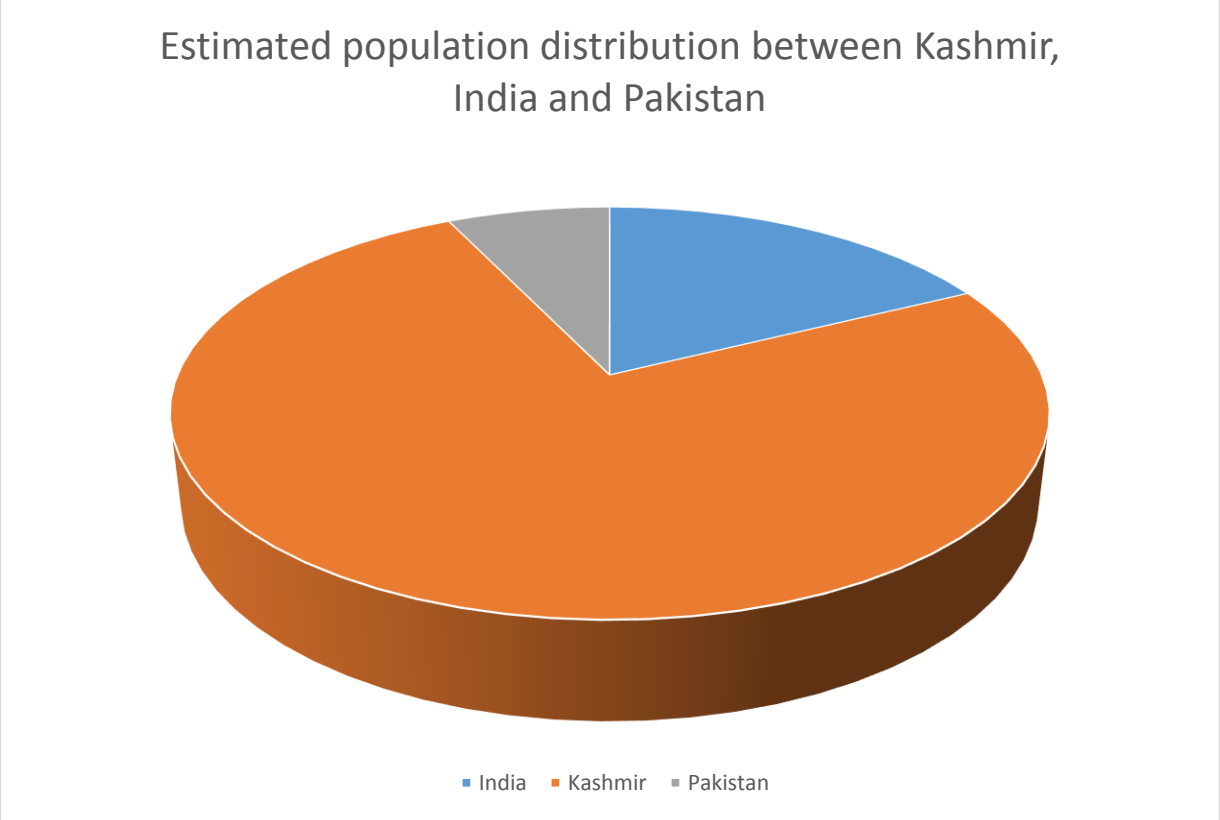


Exact geographical alignment of the borders shall be determined by the Boundary Determination Commission

Estimated geographical area distribution between Kashmir, India and Pakistan



Estimated population distribution between Kashmir, India and Pakistan:



The united Kashmir HoPe shall have five provinces which will have their own provincial governments.

The provinces will be as follows:

a) Chenab valley province
b) Kargil province
c) Kashmir Valley province
d) Muzaffarabad province
e) Pinpanjal province

The exact geographical and demographic composition of these provinces shall be determined through a re-organisation exercise that shall be debated and adopted by the parliament.

With the state of United Kashmir HoPe coming into existence, a caretaker government shall be formed which will have representatives from the third and the last Transitional Administrative Governments of Indian and Pakistani administered parts of Kashmir. This government shall be in place until elections would be held to elect the new parliament and the central government. A parliamentary constituencies' delimitation exercise shall be completed in the third stage of the Transitional Administration Period (TAP). The exercise shall be carried out with consideration to due representation to all the ethnic and religious minorities of the United Kashmir namely[112]:

[112] *This list follows the alphabetical order*

- Dard Shina community
- Dogra community
- Gujjar & Bakerwal communities
- Kargili community
- Pahari speaking community

Reservation for representation shall be considered for religious minorities like the Pandits and Sikhs should the electoral demographics be unable to provide them representation in provincial assemblies and the national parliament. A suitable reservation for representation of women in Parliament and Assemblies shall also be considered should the natural electoral system fail to provide adequate representation for women in these institutions.

The provincial elections shall be held after the provincial reorganization. The elections shall be held under the auspices of the Kashmir National Election Commission, with international supervision, facilitated by the extended mandate of the UNMOGIP. Kashmir's first parliament shall also debate and adopt Kashmir's new constitution.

6.6 Status of Religious and Ethnic Minorities

All religious and ethnic minorities in United Kashmir Haven of Peace shall be free to conduct their religious and cultural activities and shall have constitutionally guaranteed freedom of:

- expression
- association
- movement
- cultural and religious pursuits

The state shall be committed to support the ethnic and religious minorities in the preservation of their cultural and traditional practices. Communities shall be free to establish non-governmental cultural and literary institutions to promote their culture and national-level inter-cultural interaction and exchange.

In order to promote inter-ethnic and inter-religious understanding, cultural exchange and dialogue the state shall establish the following state-supported institutions:

Dard-Shina Cultural Development and Interaction Centre:

Besides engaging in facilitating Dard-Shina cultural and traditional events at the local and national level, this centre shall also be involved in promoting cross border cultural and literary exchange events with similar cultural and literary entities in Gilgit-Baltistan region. There shall be a simplified travel arrangement across the border for Dard-Shina communities.

Kargil Cultural Development and Interaction Centre

Based in Kargil city, this centre shall be mandated to facilitate Kargil's cultural and literary events at the local and national levels. It will also be responsible for the preservation and promotion of Kargil's architecture and other art forms. This centre shall also be involved in promoting cross border cultural and literary exchange events with similar cultural and literary entities in Gilgit-

Baltistan region. There shall be a simplified travel arrangement across the border with Gilgit-Baltistan for the people of Kargil.

Pahari Cultural Development and Interaction Centre (Pahari CUDIC)

This centre, based in Muzaffarbad city, shall be mandated to preserve and promote Pahari culture, literature and art across the Pirpanjal mountain range and nationally as well. An annual National Cultural Festival to be held in Srinagar, besides holding cultural events of all other ethnic communities, will showcase Pahari cultural events as well.

Gojri Cultural Development and Interaction Centre (Gojri CUDIC)

This centre shall be based at a suitable location in Rajouri-Poonch area and will be mandated to preserve and promote Gojri culture, literature and art. This centre shall also be part of the annual National Cultural Festival.

Kashmiri Cultural Development and Interaction Centre (Kashmiri CUDIC)

Based in Srinagar, this centre shall also perform similar functions as those of other cultural and interaction centres.

6

Towards Economic Transformation of United Kashmir

One of the most important requirements for this resolution framework to work is to embark on a process of economic transformation of United Kashmir, with the overarching goal of establishing a viable politico-economic system. The economic transformation process of United Kashmir is proposed to be undertaken in two stages – one during the later stages of Transitional Administrative Period (TAP) and the other post-TAP - with the following objectives:

6.1 Economic transformation objectives for the Transitional Administrative Period (TAP)

1. Creating an investment-friendly business environment through radical policy changes in PAK-TAT as well as Kashmir TAT.
2. Enhancing the per capita GDP of Kashmir TAT and AJK TAT by at least 60% by the end of Transitional Administrative Period (TAP).
3. At least 100 % productivity increase in public sector undertakings through a systematic restructuring initiative.
4. Attracting at least Rs. 30,000 crore investment from non-resident Kashmiris in niche areas of tourism, hydro-power, information & communications technology (ICT), higher education, handicrafts, high-yield horticulture and Cashmere wool products.
5. Fiscal consolidation by reducing fiscal deficit and balancing tax-to-GDP ratio to a sustainable level.

6.2 Economic transformation objectives post Transitional Administrative Period (TAP)

1. Putting United Kashmir HoPe among the leading countries in Ease of Doing Business global index.
2. Attracting foreign investment in niche areas of higher education, aviation, tourism, hydro-power, information & communications technology (ICT).
3. Enhancing the per capita GDP of United Kashmir by at least 100% within five years after the end of the Transitional Administrative Period (TAP).

During TAP, while the current system of taxation and devolution of funds from the Government of India to Kashmir and the government of Pakistan to its administered part of Kashmir shall be governed by the terms of the autonomous status, the Transitional Administrative Period shall be utilized to effect policy changes in creating a favorable investment environment both for the citizens of the state and foreign investors.

6.3 United Kashmir Haven of Peace (HoPe) Economics at a Glance

Key Indicators	Rupees	USD
GDP at current prices *(Jammu & Kashmir)*	0.87 lakh crore	13 billion (2014-15)
GDP at current prices *(Azad Jammu Kashmir)*	-	3.2 billion (2011)[113]
Current GDP/capita *(Jammu & Kashmir)*	-	1035[114]
Current GDP/capita *(Azad Jammu Kashmir)*	-	695[115]
Current cumulative GDP/capita *(Jammu & Kashmir and Azad Jammu Kashmir included)*	-	1730
Estimated Future GDP per capita at end of TAP	-	2768 (Assuming a 60% increase at the end of TAP)

[113] *Rejuvenating the economic environment in Jammu & Kashmir, CRC, September 2013*
[114] *Considering the 2011 census population figure of 12.55 million*
[115] *Based on Azad Jammu Kashmir population figure of 4.6 million*

6.4 Key sources of United Kashmir's national income post TAP

This only reflects United Kashmir's key sources of income and not the consolidated state revenues or Gross National Product/Gross Domestic Product.

Key Areas of Income	Estimated Annual Income (USD)	Equivalent in Indian Rupees (crore)	Explanation
Remittances (annual)	1.6 billion	10,560 crore	This calculation made by this document is based on two considerations: the existing known remittances from Kashmiri Diaspora of Azad Jammu Kashmir (estimated at $ 0.7 billion[116]) and the estimated remittances of Kashmiri Diaspora from Indian Administered Kashmir. In case of Kashmiri Diaspora from Indian Administered Kashmir, assuming a modest number of 40,000 families/individuals remitting an average amount of Rs 15 lakh annually, the total remittances could be Rs 6000 crore or about USD 0.9 billion. There are around 800,000-960,000 people of Kashmiri origin living in the UK today, mostly from Pakistan-administered Kashmir[117].
Tourism	613 million	4169 crore	An estimated 500,000 tourists from neighbouring Pakistani provinces visited the Jhelum and Neelam river valleys of Muzzaffarabad and Poonch in 2012[118]. In 2010-2014 period, there were a total of 5656031 tourist arrivals in Jammu & Kashmir state[119], comprising of 5370615 Indian and 285416 foreign tourists[120]. This figure has been reached at assuming tourists from India-Pakistan spending an average of Rs 25,000 per tourist and a foreign tourist spending on average Rs 70,000 per tourist.
Hydropower	1.47 billion	10,000 crore *(Assuming a 5-times profit if the 16,475 MW*	The aggregate hydro power capability of the J&K state is 20,000 MW, of which around 16,475 MW[121] have been recognized[122]. Out of the recognized potential, just 2813.46 MW i.e. 17% (of recognized potential) has been harnessed till date, comprising of 761.96 MW in state segment from 21 power ventures, 2009 MW in government of India-run segment from 7 ventures (developed

[116] Rejuvenating the economic environment in Jammu & Kashmir, Mapping the potential of investments across various regions, Ambassador (Rtd) Arif Kamal, Prof. Dipankar Sengupta, Dr Parikshat Singh Manhas, Shoaib Khan, September, 2013
[117] 'Remittances and Economic Development in India and Pakistan' in Remittances: Development Impact and Future Prospects, Roger Ballard, eds Samuel Munzele Maimbo and Dilip Ratha, Washington: World Bank, Chapter 6, p.106, 2006
[118] Rejuvenating the economic environment in Jammu & Kashmir, Mapping the potential of investments across various regions, Ambassador (Rtd) Arif Kamal, Prof. Dipankar Sengupta, Dr Parikshat Singh Manhas, Shoaib Khan, September, 2013
[119] According to the J&K Economic Survey 2013-14, during the year 2013, 11.71 lakh tourists visited Kashmir valley, 1.38 lakh tourists visited Ladakh, 92.88 lakhs devotees to Mata Vaishno Devi and 3.54 lakh to Amar Nath Cave.
[120] JK Tourism Department; JK Statistical and Economic Survey 2014
[121] This involves 11,283 MW in Chenab basin, 3084 MW in Jhelum basin, 500 MW in Ravi basin and 1608 MW in Indus basin.
[122] Analyze the factors effecting the development of hydro power projects in hydro rich regions of India, Ameesh Kumar Sharma, N.S. Thakur, Centre for Energy and Environmental Engineering, National Institute of Technology, Hamirpur, India, 29 January 2016

		potential is harnessed)	and run by NHPC) and 42.5 MW in private segment from 4 ventures[123]. In 2009-2010, NHPC made a profit after tax of Rs 2090 Crores and increase of 94% over the previous year profit of Rs 1050 Crores.
Handicrafts	294 million	2000 crore *(Modest assumption without factoring in growth acceleration plan)*	Kashmir has earned Rs 1695.83 crore revenue from export of handicrafts in 2013-14. Official figures compiled by Jammu and Kashmir Handicraft Department[124].
Horticulture	1.17 billion	8000 crore *(Assuming an enhanced production, including the production in PAK)*	At least 14.79 lakh MTs of fresh and dry fruit valuing about Rs 6000 crores were exported from J&K during 2015-16 and the area under fruits has increased from 2.95 lakh hectares in 2007-08 to 3.57 lakh hectares in 2015-16[125].
Customs taxation	1.85 billion	12,624 crore *(Including an estimated amount of Rs 3000 crore revenue from taxation on imports and exports to and from Pak-administered Kashmir)*	J&K Minister for Finance and Ladakh Affairs, Abdul Rahim Rather speaking in the Legislative Assembly, on 4 March, 2014 reported to the Assembly that the value of **taxable imports to J&K state was Rs 57,313.53 crore while as value of taxable exports was Rs 25,050.21 crore.** The Jammu and Kashmir government, the minister reported, had realised revenues of Rs 9,624.63 crore as tax collection during the last two fiscal years of 2012-13 and 2013-14.

Areas where public expenditure might require trimming down

- Size of the public sector
- Public salaries, pensions
- Certain subsidies in sectors like power, food grains,

[123] *Ibid.*
[124] *Mukeet Akmali, Spinning new record, Kashmir handicraft exports at Rs 1,700 cr, Greater Kashmir, June 25, 2014*
[125] *Mudassir Ali, Horticulture, handicrafts have bigger potential than tourism in JK: Mehbooba, Greater Kashmir, June 9 2016*

6.5 The Power Projects which will be administered by United Kashmir Power Development Corporation[126]

S. No.	Hydropower project name	River	District
1	Baglihar Stage- I Hydroelectric Project	Chenab	Doda
2	Chutak Hydroelectric Project	Suru	Village-Minji, Kargil
3	Dulhasti Hydroelectric Project	Chenab	Doda
4	Ganderbal Hydroelectric Project	Sindh Nallah tributary of Jhelum	Ganderbal
5	Iqbal (Kargil) Hydroelectric Project	Wakharong	Kargil
6	Kishenganga Hydroelectric Project	Kishanganga	Bandipora
7	Lower Jhelum Hydroelectric Project	Jhelum river	Baramulla (Warikha)
8	Nimmo-Bazgo Hydroelectric Project	Indus	Kargil
9	Salal - I & II Hydroelectric Project	River Chenab	Reasi
10	Upper Sindh Hydroelectric Project	Sindh Nallah tributary of Jhelum	Ganderbal *(57 km from Srinagar)*
11	Upper Sindh-II Hydroelectric Project	Sindh Nallah & Wangath nallah of Jhelum	Ganderbal
12	Uri-I Hydroelectric Project	Jhelum	Baramulla
13	Uri-II Hydroelectric Project	Jhelum	Baramulla

[126] *Source: India- Water Resources Information System of India-WRIS WebGIS-*

6.6 Public Sector Undertakings in Kashmir - prospects of productivity increase

Kashmir has high-value public sector undertakings, which are, in the existing scheme of things, dogged by low productivity and even losses. A process of restructuring, including disinvestment, guided by international best practices, could enhance their productivity and eventual profit by several percentage points. The following table provides a snapshot of the key state-run public sector undertaking in Indian-administered Jammu & Kashmir and Pakistan-administered Kashmir.

Name of the Public Sector entity	**Estimated market value (at 2016 prices) INR**	**Expected productivity increase post restructuring**
J&K Small Scale Industries Development Corporation Ltd.	1500	At least 100% over and above their existing productivity at the end of the TAP
J&K Handicrafts	500	
JK Industries	1000	
JK Cements Ltd.	1000	
J&K State Road Transport Corporation	500	
J&K Projects Construction Corporation	200	
JK Minerals Ltd.	500	
JK Handloom Development Corporation Ltd.	1000	
Himalayan Wool Comber Limited.	1000	
JK Agro Industries Development Corporation Ltd.	300	
J&K State Cable Car Corporation Limited	500	
J&K State Forest Corporation	200	
JK State Handloom Handicrafts Raw Material Supplies Organisation	100	
JK Tourism Development Corporation Ltd.	1500	
PSUs in Pakistan-administered Kashmir	To be determined.	

6.7 Mineral Resources of Kashmir

Presently, Jammu & Kashmir is the sole holder borax and sapphire resources in India, and possesses 36% graphite, 21% marble and 14% of gypsum of these minerals found in the country[127]. Coal, gypsum and limestone are the important minerals produced across Jammu & Kashmir. Coal is found in Poonch, Rajouri and Udhampur districts; gypsum in Baramulla and Doda districts; limestone in Anantnag (Islamabad), Baramulla, Kathua, Leh, Poonch, Pulwama, Rajauri, Srinagar and Udhampur districts; and magnesite in Leh and Udhampur districts.

Other minerals that occur in the State are bauxite, ball clay and china clay in Udhampur district; bentonite in Jammu district; borax and sulphur in Leh district; diaspore in Rajouri and Udhampur districts; graphite in Baramulla district; lignite and marble in Kupwara district; quartz and silica sand in Anantnag, Doda and Udhampur districts; quartzite in Anantnag district; and sapphire in Doda district

The type of mineral deposits found in Pakistan-administered Kashmir are: industrial minerals, gemstones, precious metals and base metals. The most economically promising mineral deposits are ruby, graphite, bentonite, granites & cement materials and AKMIDC prepared comprehensive studies of these deposits. The worth of proven mineral deposits is more than Rs. 70 million[128].

6.8 The key minerals found in the territory of *United Kashmir Haven of Peace*

Type of mineral	Commercial characteristics	Typical uses
Coal	Extracted from coal fields in Udhampur & Kalakot area which extends from Jangalgali in the east to Jigni in the West, falling in Districts of Udhampur and Rajouri and lies between latitude 30o-15o to 33o-15o and Longitude 74o-20o and 75o-10o The coal is of generally of high heat value.	(a) Manufacture of cement using V.S.K. Technology. (b) Brick Kiln Industry. (c) Steam coal is used in Industries using boilers. (d) In manufacture of battery covers.
Gypsum	Gypsum deposits are found in Buniyar area of Baramullah district and in areas of Ramban and Assar in Doda district. J&K Minerals Limited is currently actively mining gypsum from Assar gypsum.	(a) Making of plaster of paris. (b) Manufacture of cement. (c) Manufacture of Gypsum Boards. (d) Land Reconditioning (e) Pharmaceutical Industry (f) Black Board Chalk (g) Ceramics Industry for Pottery Moulds.
Sapphire	Kashmir's high-value unique sapphire is found in Paddar area of Doda district. The Sapphire of Paddar is deep bluish in colour	Mainly used in jewellery and has a high ornamental value.

[127] *Indian Minerals Yearbook 2013 (Part- I), 52nd Edition, State reviews, Jammu & Kashmir, Govt. of India, Ministry of Mines, Indian Bureau of Mines, September 2015*

[128] *Government of AJ&K online portal*

	resembling peacock neck and is world renowned Gem-stone for its clarity and transparency.	
High grade lime-stone	High grade lime-stone both cement grade and chemical grade are found in a abundance in Anantnag (Islamabad), Pulwama and Baramulla districts. Presently, J&K minerals is exploiting cement grade lime stone at Khrew in Pulwama district for its cement plant at Wuyan	The Lime stone is used in manufacture of cement, lime and Sulphuric Acid.
Lignite	The lignite deposits in Kashmir are found in abundance in Nichohama area of Kupwara district. According to the detailed exploration carried out by the Geological Survey of India (GSI) and Mineral Exploration Corporation Limited, more than 5 million tonnes of deposits have been proved.	J&K mineral is envisaging to exploit this deposit as captive product for Thermal Power Station to be set up at site.
Commercial grade marble	Commercial-grade marble deposits are found in Kupwara district, consisting of various hues and colours.	The Marble slabs after cutting, polishing and finishing are used in flooring, walling and as stable tops.

6.9 Extraction and commercial exploitation of other minerals[129]

Type of mineral whose exploration and development shall be prioritized	Areas where presence has been confirmed by Geological Survey of India to varying degrees and uses
Gold	Gold has been traced in conglomerate deposits in the valleys of Dras, Suru and Indus, forming a contiguous deposit, ranging in thickness from one metre to four metres. It is estimated that 0.6 gram of gold can be obtained per cubic metre of conglomerate in Ladakh. Alluvial gold- washing is carried on in the sands and gravels of many of the tributaries of the Indus River.
Coal	Baramulla, Handwara, and Pulwama districts of Kashmir. It has been estimated by the Geological Survey of India that the Kalakote coal mines have a workable reserve of about 5.4 million tonnes up to a depth of about 300 m[130]. An analysis of the Kalakote coal

[129] *This information has been extracted from a research paper by Z.K. Ali, Spatial Distribution of Minerals in Jammu and Kashmir (http://www.yourarticlelibrary.com/essay/spatial-distribution-of-minerals-in-jammu-and-kashmir/41433/ dated 6 October, 2016)*

[130] *At present coal is being mined near Kalakote to feed the only thermal power plant of the state at Kalakote. The rated capacity of the plant is 7.5 MW and 35,000 tonnes of coal is being mined annually in its vicinity.*

	reveals that it is of low volatile anthracite grade with ash content varying from 10 to 20 per cent and fixed carbon about 60 to 80 per cent. The Geological Survey of India has carried out explorations at Mo-hogala and Metka (Poonch District) and arrived at the result that these places, up to a depth of 300 m have about 9 million of coal.
Lignite[131]	In the Valley of Kashmir, mainly in Karewa formations, right from Nichahom upto Lolab. The major lig-nite deposits are in are in the vicinity of Nichahom, Chowkibal, Budhasheng, Lanylab, Shaliganga, Raithan and Tangmarg. In between Nichahom and Chowkibal a reserve of 8 million tonnes has been estimated[132].
Natural Gas	While the existence of commercial-grade natural gas has rarely been reported, occurrence of dry gas has been reported by the Oil and Natural Gas Commission (ONGC) in the Kashmir Division. The ONGC has proved the existence of 'Dry Gas' at the Silk Factory Road, Ram- bagh (Srinagar).
Copper	Chalcopyrite a double sulphide of copper and iron is the main copper-ore found at Sumbhar (Anantnag), Lashtial (Baramulla) and Ganderbal. In Kargil region native type of copper has been reported from areas of Zanskar. Investigations about the occurrence of copper in Doda District have also been started. It is hoped that copper-ore in all the quartz veins of quartzite rocks of the Doda District have appreciable quantities of copper which may be extracted economically.
Lead	In the Division of Kashmir, galena deposits have been reported in Buniyar (Baramulla). The ore of Buniyar deposits may yield 30 to 70 per cent of lead. Several parts of side-valleys of Kashmir are being investigated and there is a strong possibility of lead deposits in the Panjal Trap formations.
Bauxite	In Indian Administered Jammu and Kashmir extensive deposits of bauxite have been found in Chhakar (Riasi), near Songarmarg, Salal, Panhasa, Baladanu, Sangarmarg, Sukhwal-gali and Khander in the districts of Rajauri and Udhampur. The Geological Survey of India has estimated about 12 million tonnes of bauxite in these fields and the analysis has revealed that the ore contains 60 to 70 per cent of alumina (@50 USD per ton it adss to Rs 3960 crore.) In 1994-95, the production of bauxite was over 2125 tonnes. Exploration, production and technology collaborations will be deepened in this area.
Chromium	Chromite deposits are found in the cretaceous volcanis of Burzil, Dras, Bumbat, Tashgam, and Kargil Valley.
Zinc	Zinc is found in Buniyar area of Baramulla district in association with galena, chalcopyrite and pyrites

[131] The total estimated reserve of lignite deposits in the state, according to the Directorate of Geology and Mining is about 85 million tonnes.
[132] According to the Geological Survey of India, Nichahom lignite seams occur from north to south, running over a distance of about 85 km and the estimated reserve of lignite in this mine is about 85 km and covering a width of 16 km up to a depth of 8 m. The estimated reserve of lignite in this mine is about 6 million tonnes.

Sapphire	In Kishtwar district sapphire deposits of good quality are found. The Mineral Survey of Kashmir has revealed a large quantity of crystallized transparent corundum in this area.
Ruby	Found in the areas of Zanskar, Sumjam and Poddar area of Kishtwar in association with sapphire bearing rocks.
Gypsum	Millions of tonnes of gypsum, the alteration product of pyritous limestone of Salkhala age, are laid bare in the mountains of Uri and Baramulla area of Kashmir in a stretch of about 40 km along the strike. The industrial use of gypsum is in the manufacture of synthetic fertilizers, plasters, distempers and in the cement factory.
Limestone	Found in Manasbal, Bern, Achabal, Barwar, Verinag, Wuyan, Jan-galgali, Salal, Riasi, Basohli and Kalakote.
Mineral Paints	Large quantities of red and yellow ochre in association with graphite-bearing slate occur in the Salkhala System of deposits in the Uri Tehsil of the Baramulla District of Kashmir Valley. These rock and mineral substances could be are employed in the manufacturing of paints and coloring materials.

6.10 Other Proposed Economic Development Initiatives

6.10.1 Sheikh-ul-Alam Srinagar International Airport as a Regional Transit Hub

The city of Srinagar is excellently poised to act as a regional transit hub for air traffic between South Asia, Central Asia, China and North East Asia. The vision shall entail:

a) Upgrading Srinagar Airport as a world-class airport with infrastructural facilities designed to handle large volumes of airline and passenger traffic.
b) Tax and transit accommodation incentives to airlines using Srinagar as a transit hub.
c) Provision of transit and connectivity facilities to airlines emanating from or headed to China and North East Asia with key locations in Europe, Central Asia, Middle East and North Africa, for enhanced cost and time efficiency.
d) Facilitating air travel directly to the high-volume air traffic to and from mainland China over the Tibetan plateau or Xinjiang- Qinghai axis.

6.10.2 Shah-i-Hamdaan Non-Resident Kashmiri (NRK) Investment Initiative

This initiative shall promote investment from Non-Resident Kashmiris, estimated to have cumulative potential of Rs 20,000 crore. The key components of the initiative, based on the global best practices, could be as follows:

a) A Single Window Clearance System to provide comprehensive support for investors who will commit investment in the new state.

b) Up to 100 per cent equity with full repatriation facility for capital and dividends in various sectors such as hydroelectricity, export trading companies, hotels and tourism-related projects like cable cars, heli-skiing, aviation, hospitals & diagnostic centres, housing & real estate development, etc.

c) If business entities take loan for developing infrastructure facilities for self-use, such as

d) roads, sewer, water drainage, power line etc., then the government could consider reimbursement at a suitable percentage on interest rate of loan taken for this purpose within a certain ceiling and time period.

e) Significant exemption on Stamp Duty on purchase, lease or acquisition of land for hydel and tourism projects.

f) Significant exemption on stamp duty to new IT, bio-technology, Business Process Outsourcing (BPO), food processing, food park, alternative energy resources

g) Significant exemption on stamp duty to private sector infrastructure development, including Public-Private Partnership (PPP) projects

The investment shall be prioritized for the following sectors:

a) *Hydel energy: With an estimated hydel power potential of 20,000 MW, Kashmir will offer huge opportunities for investment in the energy sector*
b) *Tourism*
c) *Aviation, particularly, short-range helicopter services*
d) *Biotechnology Industry: With high literacy rates, rich biodiversity, availability of traditional medicines and herbs, trained manpower and various R&D institutions, Kashmir will promote itself as an investment destination of choice for biotechnology companies*
e) *Agro and Food Processing: Kashmir has a niche in the food processing sector, especially in the areas of spices like saffron. This sector will be a focus investment area*
f) *Minerals*
g) *Electronics Manufacturing*
h) *Information Technology and IT-enabled Services*
Besides investment in Srinagar Silicon Valley, Non-Resident Kashmiri (NRK) investment shall be promoted through provision of lands on long lease to infrastructure developers for IT companies. This initiative will be designed to bring in multi-national companies (MNC) operating in the advanced technology arena
i) *Food Processing*
j) *Solar Power*
k) *Livestock and Poultry*
l) *Heritage Tourism*

6.10.3 H N Wanchoo Kashmir Knowledge Village

Set-up in the highly idyllic *Karewa* lands in public-private partnership, *H N Wanchoo Kashmir Knowledge Village* shall be an educational free zone, with added components in the areas of human resources management and professional learning with the following objectives:

a) Establishment of world class higher educational institutions with Non-Resident Kashmiri, local Kashmiri and foreign investment. This educational free zone shall be designed to attract local and foreign students from India, Pakistan, China and other countries.

b) Provision of facilities for corporate training and learning institutions to operate with a facility of 100% foreign ownership.
c) Provision of facilities for occupational assessment and testing providers, universities, computer training providers, professional centers, executive development providers and HR consultancy companies.

6.10.4 Srinagar Silicon Valley Initiative

South Asian region, mainly India, has become a major centre for software development in recent years. India's export of computer software/services (including ITES / BPO) registered a growth of 16.98 percent (15.58 percent in US$ terms) during the year 2014-15 over the year 2013-14. In value terms, export of this sector during 2014-15 is estimated to be Rs. 593669 crore (US$ 97100 million)[133]. Kashmir provides excellent climatic, human resource and geographical conditions for hosting a part of this industry. Srinagar Silicon Valley shall offer the following incentives/benefits to companies for establishing their businesses:

- Fast-track business set-up & licensing
- 95% foreign ownership
- Investment incentive of 100% repatriation of capital
- Access to regional pool of talented technical and engineering professionals
- Stable and clear regulation
- Zero Income tax
- Minimal corporate tax
- Low cost of operations
- State of the art IT infrastructure and facilities with tier 3 data centre
- Dedicated business support services including integrated online E-Business system offering tenants fast and efficient services at the touch of a button
- Rapid employee visa processing
- Stringent IP laws and support

6.10.5 K H Khurshid Free Economic Zone (MFEZ) in Muzaffarabad

A Free Economic Zone[134] shall be established in Muzaffarabad that will invite regional and global investment. It shall also act as a hub of offshore manufacturing, handling and reconfiguration of products from other countries. The taxation rules shall be designed to attract investment both in manufacturing and knowledge industries. The overall taxation regime of the zone shall conform with the World Trade Organization (WTO) Agreement on Subsidies and Countervailing Measures (SCM). The zone shall be named after one of Pak-administered Kashmir's most respected political personalities, namely K. H. Khursheed[135] and shall offer the following incentives:

[133] *Electronics and Computer Softwre Export Promotion Council, Statistical Yearbook, 2015*
[134] *According to the 1999 Revised Kyoto Convention, a "free zone" means a part of the territory of a contracting party where any goods introduced are generally regarded, insofar as import duties and taxes are concerned, as being outside the customs territory.*
[135] *Khurshid Hassan Khurshid, commonly known as K. H. Khurshid, was president of Azad Jammu & Kashmir for five years. Widely respected as an icon of honesty, integrity and democracy among Kashmiris across the Line of Control (LoC), he died in a road accident on March 11, 1988 while travelling in public transport bus.*

- Log entry of merchandise subject to applicable handling fees will be done without any customs formalities.
- Owners of goods imported to the zone shall send all or part of their goods for temporary entry into the country after doing customs clearance regulations.
- All the goods imported to the zone for the required production or services shall be exempted from the general import-export laws. Imports of goods to other parts of Kashmir will be subordinated to export and import regulations.
- Fast-track business set-up & licensing
- 60% foreign ownership
- Investment incentive of 100% repatriation of capital
- Stable and clear regulation
- Zero Income tax
- Minimal corporate tax

6.10.6 Sir Muhammad Iqbal Centre for Economic and Scientific Thought

One of the most respected poet-philosophers of the Indian sub-continent with Kashmiri ancestry – Sir Muhammad Iqbal – is held in high esteem by large sections of Kashmiri population. One of Iqbal's strongest areas of interest was economic self-reliance and scientific development. This centre shall be dedicated for economic and scientific research, and shall be one of the premier institutions for guiding public policy on economic and scientific development in Kashmir.

6.10.7 Anglo-Kashmir Willow Bats Research and Production Centre

This research centre shall be established in Srinagar in technical collaboration with the United Kingdom for improving the quality, productivity and production of willow bats in Kashmir.

6.10.8 Transformative Business Development Initiatives on Re-establishing *Cashmere* as a Global Brand

Considering the importance of *Cashmere* wool as a global fashion icon, a reputation that has considerably been eroded over the years, United Kashmir will undertake transformative business development initiatives on re-establishing *Cashmere* as a leading global brand in fabrics. Specifically, the following initiatives shall be undertaken to promote goat rearing, wool production and the development of quality fabric:

a) **Purig Cashmere Research and Development Centre, Kargil**
A research and development (R&D) centre on *Cashmere* wool shall be established in Kargil for greater efficiency in breeding practices, wool harvesting and overall value chain.

b) **Cashmere Goat Captive/Wild Farming Investment Promotion Initiative**
Largescale private investment shall be invited for the development of captive/wild goat farming in the entire Kargil district. Due preference shall be given for providing investment partnership opportunities and jobs for the inhabitants of Kargil district in the newly-established enterprises.

c) **Cashmere Global Brand Promotion Centre, Srinagar**
A centre for promoting Cashmere brand globally through cutting edge branding, marketing and quality assurance shall be established in Srinagar. The key mandate of this centre shall be re-establishing the global brand reputation of Cashmere.

Promoting Brand *Organic Kashmir* as a leading global organic foods brand

- Fruits
- Saffron
- Essential oils, mainly lavender and rose oil
- Yarn
- Herbs
- Spices
- Dry fruits

6.10.9 National Environmental Responsibility Plan

United Kashmir shall have a *National Environmental Responsibility Plan* that will accord high priority to environmental protection and conservation. Economic and industrial development shall be highly environment-sensitive to protect Kashmir's natural environment. Environmental responsibility will be promoted as a national culture.

7

United Kashmir's Relationship with India and Pakistan

United Kashmir HoPe state shall have an independent foreign policy, which shall be based on three key strategic pillars, including two sub-pillars specifically related to its relationship with India and Pakistan:

a) Strategic partnership agreements with India and Pakistan *(Which shall include Kashmir-India Strategic Partnership Agreement (KISPA) and Kashmir-Pakistan Strategic Partnership Agreement (KAPSA))*
b) Fostering Peace and Friendship through Nature and Climate
c) Global Economic, Educational and Technological Outreach (GETO)

7.1 At the core of the strategic agreements with Pakistan and India shall be the doctrine of *Strategic Equi-Distance (STED)*, which would translate into:

a) Non-engagement in geo-political pursuits in the region and beyond that could undermine the geo-political and strategic interests of either of the two countries.
b) Ratification of and status quo on the Indus Waters Treaty, 1960.
c) Support to the political and military status quo in Leh region of India.
d) Support to the political and military status quo in Gilgit-Baltistan region of Pakistan.
e) Stringent legal framework to deter United Kashmir's territory being used for any subversive or terrorist activities against the interests of any of the two countries.
f) Free Trade Agreements with both Pakistan and India, governed by the principles of competitive economic merits.

7.2 The key elements of the Strategic Partnership Agreements with India and Pakistan shall be:

7.2.1 Bilateral Non-aggression Treaties with India and Pakistan

United Kashmir shall have an army of its own, primarily meant for border security and controls. Given the fact that the United Kashmir HoPe state shall be a relatively small country with long borders, with an approximate length of 1200 kms, in the midst of the region's three most powerful countries, the state shall, at least for the first 20 years of its independent status, neither build an army on the doctrine of tactical defense capability nor strategic deterrence. It would, instead, prioritize post-conflict economic reconstruction and development, infrastructure development, education of excellence, private enterprise-driven investment and job creation.

United Kashmir HoPe shall endeavor to sign bilateral non-aggression pacts with India and Pakistan, which shall be called as Pakistan-Kashmir Non-Aggression Pact (PAKNAP) and Indo-Kashmir Non-Aggression Pact (INKNAP), committing the three countries to the following:

a) Neither India nor Pakistan shall, under any circumstances, launch military aggression against the newly-established state of United Kashmir.

b) Neither India nor Pakistan shall have military bases on the territory of Kashmir. In keeping with the spirit of *Kashmiriyat* – endeavoring to create Kashmir as a haven of peace and a bridge of friendship between India and Pakistan, Kashmir shall not have the military presence of any other country on its soil. However, in case of military aggression by any country it shall retain the right to safeguard its people and seek defensive alliance/s with any other country/countries based on the imperatives of the safety and security of all its peoples.

c) None of the INKPA countries shall allow their countries to be used for any terrorist activities, cross-border drugs smuggling, organized crime and illicit arms smuggling, including those by organized non-state actors, that might threaten or undermine the security and wellbeing of another country/other countries. Kashmir shall endeavor to have bilateral/trilateral information-sharing and cooperation agreements with India and Pakistan for prevention and risk mitigation in the areas of terrorism, drugs smuggling, organized crime and illicit arms control.

United Kashmir shall enter into a Free Trade Agreement with Pakistan which would stipulate that:

a) All exports and imports of United Kashmir to and from countries other than Pakistan will be free from and not subject to customs duties and trade restrictions of the Government of Pakistan. The procedure for such exports and imports and the documentation may be modified by mutual agreement from time to time.

b) Kashmir shall have a right to linkage with the China-Pakistan Economic Corridor (CPEC) and have access to Gawadar Port for the conduct of its international trade and commerce. This arrangement shall be in lieu of United Kashmir's ratification of the status quo on the Indus Waters Treaty, 1960.

c) Merchant ships sailing under the flag of Kashmir shall be accorded treatment no less favourable than that accorded to ships of any other foreign country in respect of matters relating to navigation, entry into and departure from the Pakistani ports, use of ports and harbour facilities in Pakistan (including the Gawadar Port), as well as loading and unloading dues, taxes and other levies, with mutually agreed exceptions to coastal trade.

d) While as the government of Kashmir may impose such non-tariff restrictions on the entry into Kashmir of certain goods of Pakistani origin as may be necessary for the protection of industries in Kashmir, such restrictions, however, will not be stricter than those applied to goods of third country origin.

e) While as the Governments of the two countries may impose such non-tariff restrictions on entry into their respective territories of goods of third country origin as may be necessary, when goods are imported from third countries for Kashmir through Pakistan, the following procedure shall be observed at the Pakistani place of entry (usually referred to as "Customs House"):

   i) *Clearance of goods imported for Kashmir shall be against Letter of Guarantee issued by the Representative of the Government of United Kashmir.*

ii) *At the Customs House, the importer or his agent (hereinafter referred to as the "Importer") shall present the Letter of Guarantee in a prescribed form in five copies. The last two columns pertaining to classification of goods and duty shall be completed by the Pakistani Customs.*

iii) *The Customs House shall ensure that the seals are intact in case of containerised goods and in case of non-containerised goods, after percentage check if necessary, goods may be sealed individually or the transport in which they are being carried be so sealed.*

iv) *The Customs House, after having satisfied with the procedures in para 'c' above, shall endorse all the copies of the Letter of Guarantee. The fourth copy shall be handed over to the importer. The fifth shall be sealed and handed over to the importer for passing on to the Pakistani Customs Officer at the exit point in Pakistan.*

v) *On arrival of the goods at the Pakistan-Kashmir border, the importer shall present to the Pakistani Customs Officer, the goods as well as his copy of the Letter of Guarantee and the sealed copy for the Customs Officer. The Customs Officer shall compare the two copies and allow movement of goods into Kashmir after checking the seal. The fourth copy shall be returned to the importer after due endorsement and fifth copy sent to the Customs House.*

vi) *In case of imports not reaching their destination, the Customs officials of the two countries shall get in contact so as to trace the movement of the goods. In case the goods are found to have been diverted intentionally or purposely into Pakistan, the Pakistani Authorities would invoke the guarantee and get in touch with the Transit & Liaison Office/ Representative of the Government of Kashmir in Rawalpindi or Islamabad or Sialkot city to realize the Customs duties and other dues of the Government of Pakistan.*

vii) *Any cargo consigned to Kashmir arriving in Islamabad, Lahore, Karachi or other airports which has to move by surface transport through the territory of Pakistan shall follow the an agreed import procedure.*

Pakistan-Kashmir Export Procedure

The Import Procedure detailed above shall apply mutatis mutandis for Kashmir's exports to third countries.

7.2.3 Indo-Kashmir Free Trade Agreement (INKFTA)

Kashmir shall enter into a Free Trade Agreement with India, hereinafter referred to as Indo-Kashmir Free Trade Agreement (INKFTA), which shall have the following imports procedure:

a) While as the government of Kashmir may impose such non-tariff restrictions on the entry into Kashmir of certain goods of Indian origin as may be necessary for the protection of industries in Kashmir. Such restrictions, however, will not be stricter than those applied to goods of third country origin.

b) While as the Governments of the two countries may impose such non-tariff restrictions on entry into their respective territories of goods of third country origin as may be necessary, when goods are imported from third countries for Kashmir through India, the following procedure shall be observed at the Indian place of entry (usually referred to as "Customs House"):

i) Clearance of goods imported for Kashmir shall be against Letter of Guarantee issued by the Representative of the Government of United Kashmir.

ii) At the Customs House, the importer or his agent (hereinafter referred to as the "Importer") shall present the Letter of Guarantee in a prescribed form in five copies. The last two columns pertaining to classification of goods and duty shall be completed by the Indian Customs.

iii) The Customs House shall ensure that the seals are intact in case of containerised goods and in case of non-containerised goods, after percentage check if necessary, goods may be sealed individually or the transport in which they are being carried be so sealed.

iv) The Customs House, after having satisfied with the procedures in para 'c' above, shall endorse all the copies of the Letter of Guarantee. The fourth copy shall be handed over to the importer. The fifth shall be sealed and handed over to the importer for passing on to the Indian Customs Officer at the exit point in India.

v) On arrival of the goods at the Indo-Kashmir border, the importer shall present to the Indian Customs Officer, the goods as well as his copy of the Letter of Guarantee and the sealed copy for the Customs Officer. The Customs Officer shall compare the two copies and allow movement of goods into Kashmir after checking the seal. The fourth copy shall be returned to the importer after due endorsement and fifth copy sent to the Customs House.

vi) In case of imports not reaching their destination, the Customs officials of the two countries shall get in contact so as to trace the movement of the goods. In case the goods are found to have been diverted intentionally or purposely into India, the Indian Authorities would invoke the guarantee and get in touch with the Transit & Liaison Office/ Representative of the Government of Kashmir in Jammu city to realize the Customs duties and other dues of the Government of the Republic of India.

vii) *Any cargo consigned to Kashmir arriving in Delhi, Jammu city and Mumbai or any other airports which has to move by surface transport through the territory of the Republic of India shall follow the an agreed import procedure.*

Indo-Kashmir Export Procedure

The Import Procedure detailed above shall apply mutatis mutandis for Kashmir's exports to third countries.

7.2.4 India-Kashmir-Pakistan (INKPA) Indus Rivers Resources Agreement

India-Kashmir-Pakistan shall enter into an agreement, with the World Bank playing the role of a facilitator and guarantor, for Kashmir's formal ratification of the Indus Waters Treaty and the determination of the ownership, management and control status of the existing hydel power projects, water reservoirs, dams and other hydro resources on the Chenab, the Jhelum, the Indus and all the major tributaries, including the Kishenganga River or the Neelam River, of these three rivers. This agreement shall have the following sub-components:

a) Indus Waters Treaty (1960) Ratification Agreement

Kashmir shall ratify the Indus Waters Treaty (1960) signed between India and Pakistan, and brokered by the World Bank, that gave India exclusive rights over the waters of the Ravi, Satluj and Beas rivers while Pakistan got exclusive rights over the three rivers of Chenab, Jhelum and Indus, flowing from the territory of Kashmir. That ratification would mean India will retain its exclusive rights over the use of the waters of the three rivers of the Ravi, the Beas and the Satluj. Similarly, Pakistan will retain its exclusive right over the waters off the Indus, the Jhelum and the Chenab. Furthermore, Kashmir shall not undertake any such activity on the Indus, the Jhelum and the Chenab that will result in compromising water flow or quantity to Pakistan. As a responsible new member of the Indus Waters Commission, it will be committed to provide critical early flood warning information to Pakistan through the commission's restructured mechanism.

b) Chenab Waters Exclusive Rights Agreement

This sub agreement will be signed between India and Kashmir which will give Kashmir exclusive rights over the development of hydropower projects on the Chenab River, besides the Jhelum and the Indus rivers (for the part of the Indus River that will flow through the territory of Kashmir in Kargil).

c) Indus Waters Treaty Compensatory Fund

This fund shall have negotiated contributions from both India and Pakistan, based on the calculations of accumulated economic loss Kashmir has suffered because of the treaty until the period Indus Waters Resources Agreement shall come into force. This fund will be used for the development of the Indus waters basin within the territory of Kashmir, including eco-friendly tourist infrastructure and environmental conservation activities, partly on the pattern of the World Bank-supported Integrated Watershed Development Project (IWDP) implemented in Kashmir.

d) Chenab River Hydel Power Projects Settlement Mechanism

United Kashmir shall have full control and ownership of the existing hydel power projects on the river, subject to a financial settlement with the National Hydropower Corporation

(HNPC), determined by a neutral international cost assessment agency, factoring in cost recovery on basic investment through the sale of electricity by NHPC, charges of water use and the depreciation costs. The capital required for payment to the NHPC shall partly be raised by floating Kashmir Electricity Bonds, which could be subscribed by all the citizens of Kashmir, including Non-Resident Kashmiris (NRKs). Kashmir will also exercise the right to engage international technical experts/consultants, based on competitive factors, in improving the operational efficiency of the hydel power projects.

e) Jhelum-Kishenganga Rivers Hydel Power Projects Settlement Mechanism

United Kashmir shall have full control and ownership of the existing hydel power projects on the Kishenganga (Neelam) river on both sides of Kashmir, subject to a financial settlement with the Government of Pakistan, determined by a neutral international cost assessment agency, factoring in cost recovery on basic investment through the sale of electricity, charges of water use and the depreciation costs. The capital required for payment to the government of Pakistan, if any, shall partly be raised by floating Kashmir Electricity Bonds, which could be subscribed by all the citizens of Kashmir, including Non-Resident Kashmiris (NRKs). Kashmir will also exercise the right to engage international technical experts/consultants, based on competitive factors, in improving the operational efficiency of the hydel power projects falling on the Kishenganga River. This arrangement shall be governed by the relevant provisions of the Indus Waters Treaty (1960) related to the tributaries of the Indus river.

f) Full independence with regard to the development of future run-of-the river hydro power projects on the Chenab River conforming with the Indus Waters Treaty (IWT)

Kashmir shall have full independence in development of future run-of-the-river hydro power projects on the Chenab River conforming with the Indus Waters Treaty (IWT). The boundary limitation along the Chenab shall be conducted in a manner not to jeopardize future logistical and technical requirements in the development of new projects.

g) Mangla Dam Administration Jurisdiction

In keeping with the spirit of the Indus Waters Treaty, Pakistan's Mangla Dam Authority shall retain the administrative jurisdiction over the Mangla Dam management, notwithstanding that a certain portion of the reservoir shall fall within the territory of the newly-carved out state of Kashmir. Such administrative control shall be designed to ensure that Pakistan retains the ability to manage water flow into Punjab for agricultural and navigation purposes. The exact details of the division of roles and responsibilities shall be determined in technical consultation with the World Bank.

h) India's first right of purchase of the hydro power generated from the Chenab river hydel projects

After meeting Kashmir's own national energy demand, India shall have the first right to be offered the sale of the electricity generated from the hydro power projects on the Chenab river. Kashmir shall have the right to offer the sale of the electricity to other consuming entities in the region should the first right of purchase fail to materialize.

i) Pakistan's first right of purchase of the hydro power generated from the hydel projects on the Indus and Kishenganga rivers

After meeting Kashmir's own national energy demand, Pakistan shall have the first right to be offered the sale of the electricity generated from the hydro power projects on the Indus and Kishenganga (Neelam) rivers. Kashmir shall have the right to offer the sale of the electricity to other consuming entities in the region should the first right of purchase fail to materialize.

j) Kashmir-India-Pakistan Energy Security Agreement (KIPESA)

This agreement would entail the extension of the existing Kashmir-India Northern Power Grid connectivity to a suitable power grid in northern Pakistan for effective energy exchange from the Indus basin hydro power resources.

k) Kashmir's membership of the Permanent Indus Waters Commission[136]:

Kashmir shall be taken as the third member of the Permanent Indus Waters Commission to reinforce the establishment and maintenance of co-operative arrangements for the implementation of the Treaty, as well as to promote co-operation between the three parties in collaborative disaster management, including risk reduction and establishment of joint early warning systems.

7.2.5 Indo-Kashmir Ladakh Logistics Agreement (IKLA)

This agreement shall stipulate that India shall be able to use the existing Udhampur-Srinagar-Leh road and railway for transport of civilian supplies, including winter supplies, to Leh through Jammu-Srinagar road and railway. The arrangement shall not entail levy of any customs duty, except for the applicable transportation toll charges on such supplies. However, a road maintenance surcharge shall be applicable, the nature of which shall be mutually agreed between the governments of Kashmir and India.

7.2.6 Special visa process to visit United Kashmir for the inhabitants of the erstwhile state of J&K

There shall be a special visa-on-arrival facility for the citizens of the erstwhile state of Jammu & Kashmir who would fall in the newly reorganized territories of Gilgit-Baltistan, Jammu and Leh for visiting United Kashmir. They shall be free to visit their relatives and engage in tourist and business activities with the citizens of United Kashmir, subject to the relevant laws and regulations of United Kashmir.

7.2.7 Religious Tourism

One of the key components of United Kashmir's tourism policy would be the promotion and facilitation of heritage and religious tourism in Kashmir for all faiths. However, due care shall be taken in maintaining environmental responsibility, especially with related to the places which fall in highly environmentally-sensitive locations. A regulatory and conservation framework for religious tourism shall be developed, guided by a comprehensive Environmental Impact Assessment (EIA), for all religious tourism-related activities falling in ecologically sensitive locations for sustainable tourism.

7.2.8 Pakistan-Kashmir Agreement on Kargil-Gilgit Culture and Trade Corridor

[136] *Permanent Indus Waters Commission (PIWC) was set up under Article VIII of the Indus Waters Treaty.*

In recognition of the deep cultural and linguistic connections between Kargil and Gilgit, a culture and trade corridor shall be created between Kargil and Skardu that will facilitate visa-free, passport-free travel and trade between Kargil and Skardu. This cross-border corridor shall allow movement of people across the border

7.2.9 Indo-Kashmir Agreement on Kargil-Leh Logistics Facilitation Centre

A logistics facilitation centre shall be established at Kargil, which will facilitate the entry and exit of food and other supplies transport to Leh from Kashmir. The specific list of the allowable items shall be agreed between Kashmir and India in the post transition period.

7.2.10 Pakistan-Kashmir Agreement on Gurez-Baltistan Culture and Trade Corridor

This corridor shall meet the long-standing demand of the people of Gurez and Baltistan belonging to the Dard-Shina ethnic community for cross-border interaction and cultural exchange.

7.2.11 Religious Affairs

All religions in *Kashmir Haven of Peace* state shall exercise freedom to engage in their religious practices without fear or discrimination. The management of religious institutions of all religious communities shall be the sole responsibility of the respective communities. **While religious institutions shall be free to raise resources nationally, however, in keeping with the distinct spirit of *Kashmiriyat,* access to foreign funding for the development of religious institutions, their management and any other pursuit shall be prohibited by law.** All citizens of the state shall be free to contribute for the upkeep and the development of their religious institutions.

All major faith-based institutions shall be governed by Governing Boards that shall be nominated by the executive bodies of those institutions, and not by the state. The executive bodies, in turn, shall be appointed on merit basis by the boards of the institutions for a specific periods of time. The boards, while providing management oversight to the institutions, shall not exercise any executive powers in these institutions.

A Ministry of Religious Affairs shall be established which will be responsible for:

i) Registration, accountability and regulation of religious educational, social and economic institutions.

ii) Providing oversight to the management boards/authorities of major places of worship. The state shall not interfere in the management of the places of worship of any community. Religious institutions shall be free to engage in social, charitable and economic empowerment activities, with exception to the activities that could breed divisions, ill-will, animosity and hatred between and among communities.

iii) Regulate religious education curriculum of all communities, ensuring that no curriculum violates the fundamental human principles of brotherhood, amity and tolerance. The state shall ensure that religious educational institutions include:

- *Learning components of social and other sciences.*
- *Basic elements of comparative religion.*

- *Integrating market-relevant vocational and life skills-based courses, designed to provide livelihood opportunities to the students after the completion of their religious studies.*
- *Developing financially self-sustained models of governance.*

iv) Creating the necessary facilities, facilitating and regulating religious tourism, including pilgrimages undertaken by national citizens and foreign pilgrims, to environmentally-fragile locations. The duration and pilgrim numbers to religious pilgrimages of all faiths shall be determined by a thorough Carrying Capacity and Environmental Impact Assessment of all the pilgrimages.

v) It shall also be responsible for facilitating pilgrimage visas for foreign pilgrims.

8

United Kashmir HoPe

External Relations

United Kashmir HoPe state shall have an independent foreign policy, which shall be based on three key strategic pillars:

a) Strategic partnership agreements with India and Pakistan, including Bilateral Non-Aggression Treaties with India and Pakistan
b) Fostering Peace and Friendship through Nature and Climate
c) Global Economic, Educational and Technological Outreach (GETO)

Strategic partnership agreements with India and Pakistan shall entail bilateral

- Kashmir-India Strategic Partnership Agreement (KISPA)
- Kashmir-Pakistan Strategic Partnership Agreement (KAPSA)

At the core of the strategic agreements with Pakistan and India shall be the doctrine of *Strategic Equi-Distance (STED)*, which would translate into:

a) Non-engagement in geo-political pursuits in the region and beyond that could undermine the geo-political and strategic interests of either of the two countries.
b) Ratification of and status quo on the Indus Waters Treaty, 1960.
c) Support to the political and military status quo in Leh region of India.
d) Support to the political and military status quo in Gilgit-Baltistan region of Pakistan.
e) Stringent legal framework to deter United Kashmir's territory being used for any subversive or terrorist activities against the interests of any of the two countries.
f) Free Trade Agreements with both Pakistan and India, governed by competitive economic merits.
g) Fostering Peace and Friendship through Nature and Climate

8.1 Global Economic, Educational and Technological Outreach (GETO)

Under the strategic rubric of Global Economic, Educational and Technological Outreach (GETO), United Kashmir shall seek partnerships with global leaders in innovation-based economic development, education, science and technology.

8.2 United Kashmir-European Union Education and Scientific Cooperation Program

This programme shall be designed for cooperation between United Kashmir and the European Union in the areas of higher education and scientific and technological development. It would include joint research in the area of climate change.

8.3 Anglo-Kashmir Educational, Scientific and Agricultural Cooperation Program

Designed on the lines of the Kashmir-European Union Education and Scientific Cooperation Program, and in due recognition of the historical ties between Britain and Kashmir, this program would leverage the opportunities available in the development of educational, scientific and agricultural infrastructure in Kashmir. It would also entail a special *Anglo-Kashmir Willow Research and Development Initiative* for collaboration in the development of cricket bat industry in Kashmir.

8.4 Sino-Kashmir Environmental Rejuvenation Cooperation Program

United Kashmir HoPe shall seek to draw upon the neighbouring People's Republic of China's successful experience in environmental rejuvenation, mainly related to afforestation, environmental protection and wildlife conservation. It would enter into a cooperation agreement with the Chinese government is replicating the latter's success stories in Kashmir from similar temperate geographical locations of central China.

8.5 Lalla Arifa Centre for International Understanding and Cultural Exchange

This centre shall be a hub of regional and international cultural events, with emphasis on:

- Youth cross cultural learning and exchange among Kashmiri, Pakistani and Indian cultures
- Youth cross cultural learning and dialogue among Chinese, Indian, Middle Eastern, Central Asian, European, African, Northern American and South American cultures/civilisations.

8.6 Kashmir University of Peace

In keeping with the rationale of the creation of United Kashmir HoPe state and the aspirations proclaimed in the United Nations charter, Kashmir shall endeavor to establish a Kashmir University of Peace in collaboration with the United Nations. The university shall be designed to provide an international institution of higher education for peace in the South Asian region, with the aim of promoting the spirit of understanding, tolerance and peaceful coexistence and to foster cultural understanding among peoples to help overcome obstacles and threats to regional peace and progress.

8.7 United Kashmir HoPe shall seek membership of the following regional and global organizations:

- United Nations and its associated organisations
- South Asian Association for Regional Cooperation (SAARC)
- Commonwealth of Nations - As a state that was formerly part of the British Empire and will be abiding by the Harare principles, including democracy and respect for human rights, United Kashmir HoPe shall seek membership of the Commonwealth of Nations.
- Organisation of Islamic Conference (OIC)
- Shanghai Cooperation Organisation (SCO)

8.8 Tourist visa on arrival facility

United Kashmir shall have a policy of facilitating easier tourist travel. Tourist visa-on-arrival facility[137] shall be available to citizens of select countries, mainly on a reciprocal basis.

8.9 Major International Multilateral Treaties that Kashmir shall ratify and sign

- United Nations Charter, 1945
- Geneva Conventions, 1949
- UN Framework Convention on Climate Change, 1992

[137] *Tourist visa on arrival shall not be automatically applicable to religious pilgrimages in ecologically fragile mountain sites. Religious pilgrimages shall be governed by a separate system of regulation.*

- SAARC Charter
- Statutes of the World Tourism Organization
- Biological Weapons Convention, 1972
- Chemical Weapons Convention, 1992
- Kyoto Protocol 1997
- Convention establishing a Customs Co-operation Council, 1950
- International Convention on the Elimination of All Forms of Racial Discrimination, 1969
- Convention on the Rights of the Child
- Vienna Convention on Consular Relations, 1963
- International Convention for the Suppression of the Financing of Terrorism, 1999
- Constitution of the International Labour Organization, 1945
- Treaty on the Non-Proliferation of Nuclear Weapons, 1968
- Vienna Convention on Diplomatic Relations, 1961
- Constitution of the Food and Agriculture Organization, 1945
- Chicago Convention on International Civil Aviation, 1944
- Convention concerning the Protection of the World Cultural and Natural Heritage, 1972
- International Covenant on Economic, Social and Cultural Rights, 1966
- International Covenant on Civil and Political Rights, 1966
- Convention on the Prevention and Punishment of the Crime of Genocide, 1948
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, 1984
- Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, 2002
- International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families, 1990
- Optional Protocol to the Convention on the Rights of the Child on the involvement of children in armed conflict, 2000
- Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography, 2000
- Convention Relating to the Status of Refugees, 1951
- Protocol Relating to the Status of Refugees, 1967
- Convention on the Safety of United Nations and Associated Personnel, 1994
- International Convention for the Suppression of Terrorist Bombings, 1997
- International Convention for the Suppression of the Financing of Terrorism, 1999
- International Convention for the Suppression of Acts of Nuclear Terrorism, 2005
- United Nations Convention against Transnational Organized Crime,
- 2000
- Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, 2000

- Protocol against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, supplementing the United Nations Convention against Transnational Organized Crime, 2001
- United Nations Convention against Corruption, 2003
- Kyoto Protocol to the United Nations Framework Convention on Climate Change, 1997
- Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, 1998
- Stockholm Convention on Persistent Organic Pollutants, 2001
- Cartagena Protocol on Biosafety to the Convention on Biological Diversity, 2000
- Comprehensive Nuclear-Test-Ban Treaty, 1996
- WHO Framework Convention on Tobacco Control, 2003

9

Kashmir HoPe as a Bridge of Cooperation and Friendship between India and Pakistan

Given the common historical cultural and economic linkages between Kashmir, India and Pakistan (INKPA), Kashmir could act as a bridge for resolution of outstanding issues and deepening cooperation between India and Pakistan. *Kashmir HoPe Accord* could pave the way for cooperative engagement and dispute resolution in the following areas between the two countries:

a) Facilitating the establishment of peace in Afghanistan by promoting national reconciliation and the establishment of an inclusive and representative government, including the Taliban and other insurgent groups, in the country.
b) Complete demilitarization of the Siachen Glacier, withdrawal of troops to positions as determined by the Boundary Determination Commission and an eventual established of a Joint India-Kashmir-Pakistan (INKPA) Climate Change Research Centre in the Siachen area.
c) Disengagement from pursuits of interference in each other's political crises like those believed to be occurring in Punjab, Balochistan, Karachi. etc.
d) Final settlement of Sir Creek boundary dispute.
e) Agreement on capping of production of nuclear weapons.
f) Cooperation in nuclear research and development for peaceful use of nuclear energy technology.
g) Reciprocal confidence-building measures in addressing the outstanding concerns related to incidents like 9/11 Mumbai terror attack and Samhjota Express terror attack.

United Kashmir Haven of Peace shall leverage Kashmir's natural beauty and moderate summer climate for reshaping and strengthening its relationships with India and Pakistan, ultimately promoting cultural interaction and economic development in South Asia in three distinct soft areas:

- ***Entertainment***
- ***Cricket and***
- ***Information and Communications Technology (ICT)***

9.1 Kashmir International Film Park Initiative

Indian film industry – Bollywood – has for long held an emotional and commercially-beneficial relationship with film-conducive natural environment of Kashmir. Since the advent of armed insurgency and counter-insurgency in 1990s in Kashmir, India's film industry has chosen other expensive global destinations to shoot their films. The government of Kashmir shall designate and develop an ecologically-friendly film park, named as *Kashmir International Film Park* spanning a large geographical area, in public-private partnership, at an appropriate location with all the modern amenities for shooting of films. The park shall be designed to attract both Bollywood and Pakistan's emerging Lollywood film and drama serial industry, acting as a bridge for restoring and deepening cultural interaction between the two countries.

9.2 Kashmir International Cricket Premier League (KICPIL) – a celebration of cricket passion

South Asian region, particularly India and Pakistan, is an ardent lover of cricket. In recent years, with growing tensions between the two countries their cricketing relations have soured. A sport that has a potential to bring people together in a spirit of positive engagement has turned into an issue of bitter and divisive rivalry. Kashmir has a tremendous potential for promoting positive interaction and competition in cricket in the region.

During long months of summer, when India, Pakistan and other South Asian countries sizzle in unbearable heat, Kashmir's moderate and often cool climate offers respite to hundreds of thousands of solace-seeking visitors. It is the time when something of a Kashmir Premier Cricket League could bring professional cricket playing clubs and ardent cricket lovers across the region to enjoy their holidays in Kashmir. Kashmir Premier Cricket League could be accompanied by an International Cricket Bat Festival, where manufacturers would offer high-quality cricket bats made from Kashmir willow to regional/international buyers.

9.3 Offering Kashmir as a haven of investment to regional IT companies in Information and Communications Technology (ICT)

Kashmir's moderate and cold climate would be a key attraction for Information and Communications Technology (ICT) companies of the region, particularly those based in South India. Kashmir shall develop a Special Economic Zone, with attractive incentives to IT companies to set up their business in Kashmir.

9.4 Kashmir Regional Seed Vault

One of the biggest future challenges confronted by the South Asian region is climate change. Agriculture in both India and Pakistan faces severe risks due to rising temperatures, depleting underground water aquifers, erratic precipitation patterns and so on. Moreover, longer summers and shorter winters are creating severe adaptation challenges for South Asia's agriculture sector, making it difficult for the industry to provide food to the 2 billion people home to the region[138]. South Asian region is also susceptible to other disasters like rising sea levels and tsunamis. Kashmir's high altitude Himalayas offer an excellent environmental setting for hosting a seed vault for the region, offering a cushion to preserve the region's seed wealth in the event of major natural or man-made eventualities. Kashmir Regional Seed Vault would endeavor a collaborative agreement with the Svalbard Global Seed Vault.[139]

9.5 South Asia Economic Forum at Gulmarg

The government of Kashmir shall host in Gulmarg tourist report the South Asia Economic Forum – an annual winter event that shall bring South Asia's business leaders, government representatives and foreign investors together in generating ideas and partnerships for innovative economic pursuits in the region.

9.6 Positive Kashmir – An event for bringing Indian and Pakistanis of Kashmiri descent together

[138] Climate change & Security in South Asia, Tariq Wasim Ghazi, A. N. M. Muniruzzman, A.K. Singh, Global Military Advisory Council on Climate Change, May 2016
[139] A secure seed bank run by the Consultative Group on International Agricultural Research (CGIAR) on the Norwegian island of Spitsbergen near Longyearbyen in the remote Arctic Svalbard archipelago, about 1,300 kilometres (810 mi) from the North Pole. Norwegian: Svalbard globale frøhvelv

Over the last century or so, a considerable number of native Kashmiris have emigrated from their homeland and settled elsewhere, including in the plains of India and Pakistan. This population, which includes India and Pakistan's leading political, economic and movie figures, have a profound sense of belonging to their ancestors' homeland.

Every two years a state-facilitated event shall be held in Srinagar or Muzaffarabad that shall bring together people of Kashmiri descent from all across the world, including eminent politicians of India and Pakistan, to share their experiences of life, their accomplishments and their vision of supporting Kashmir's reconstruction. This event shall also recognize and honor critical accomplishments in the areas of science, technology, literature, arts and so on.

Glossary

This glossary provides a broad definition of the terms used in this work:

Erstwhile state of Jammu and Kashmir

The undivided state of Jammu and Kashmir as it existed in August 1947, prior to Partition.

Jammu and Kashmir

Unless otherwise stated, refers to the Indian-administered Kashmir

Kashmir

Is often referred to mean the undivided state of Jammu and Kashmir as it existed prior to August 1947

Pakistan-administered Kashmir (PAK)

Refers to all the areas presently administered by Pakistan, excluding Gilgit-Baltistan, unless otherwise stated

Indian-administered Kashmir (PAK)

Refers to all the areas presently administered by India, excluding Jammu and Leh, unless otherwise stated

Line of Control (LoC)

Post-Simla Agreement adjustment of the existing 1971 ceasefire line, based on actual control.

Azad Jammu and Kashmir (AJK)

Refers to Pakistan-administered Kashmir

Crore/Crores

A crore (abbreviated cr.) is a unit in the South Asian numbering system equal to ten million (10,000,000; scientific notation: 107), which is written as 1,00,00,000.

Lakh/Lakhs

A lakh (also lac; abbreviated L) is a unit in the South Asian numbering system equal to one hundred thousand (100,000; scientific notation: 105), written as 1,00,000.

Rupee/Rupees

Unless otherwise stated, the use of this term refers to Indian currency Rupee.